



CANADIAN UTILITIES LIMITED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2025

February 25, 2026

This Annual Information Form (AIF) is meant to help readers understand the business and operations of Canadian Utilities Limited (Canadian Utilities, our, we, us, the Company, or the Corporation).

Unless otherwise noted, the information contained within this AIF is presented as at December 31, 2025.

The Company is controlled by ATCO Ltd. (ATCO) and its controlling share owners, Sentgraf Enterprises Ltd. (Sentgraf) and its controlling share owner, the Southern family.

Terms used throughout this AIF are defined in the Glossary at the end of this document.

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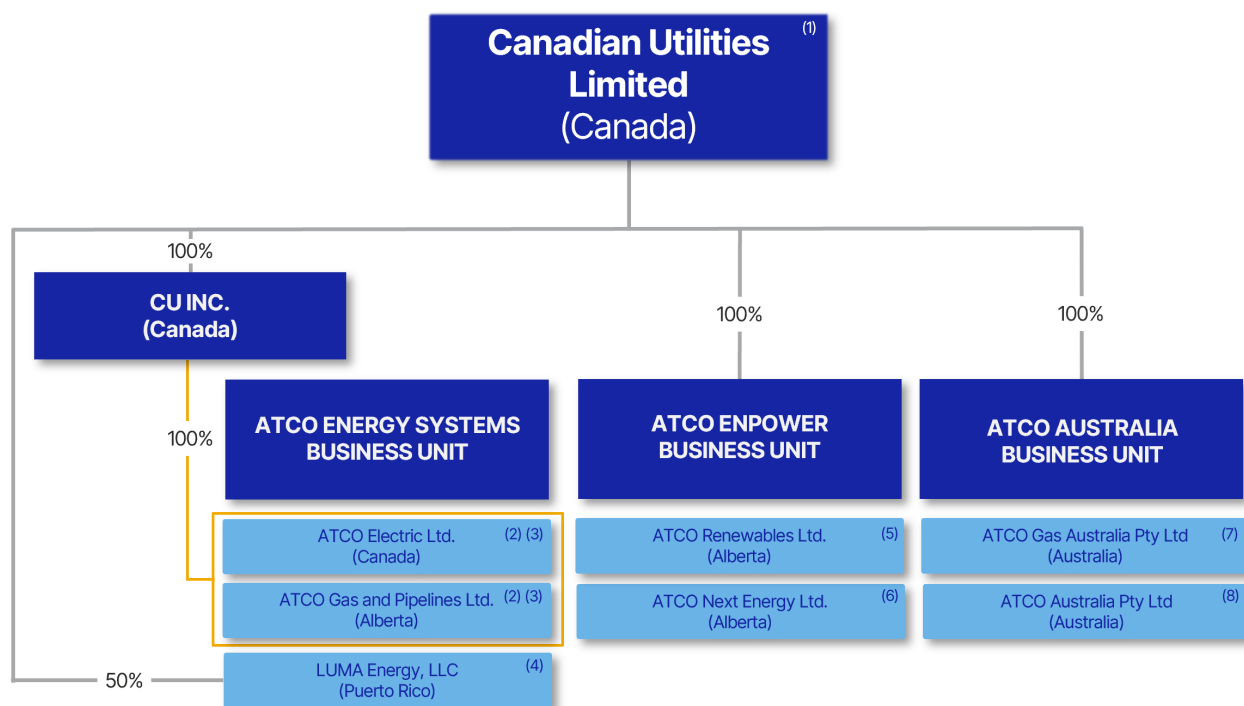
CORPORATE STRUCTURE

Canadian Utilities was incorporated under the laws of Canada on May 18, 1927, and was continued under the *Canada Business Corporations Act* on August 15, 1979. The common share capital of the Company was reorganized on September 10, 1982. The address of the head office of the Company is 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4 and its registered office is 20th Floor, 10035 - 105 Street N.W., Edmonton, Alberta T5J 1C8.

In March 1999, Canadian Utilities was reorganized to separate its Alberta-based regulated businesses from its non-regulated businesses. This reorganization was implemented by the transfer of the common shares and debt of the regulated subsidiaries from Canadian Utilities to CU Inc., in return for common shares of CU Inc. As a result of the reorganization, the Company's Alberta Utilities, which had been financed by Canadian Utilities, are now mainly financed by CU Inc.

SIMPLIFIED ORGANIZATIONAL STRUCTURE

The following chart includes the names of the Company's principal business units, as well as the principal subsidiaries comprising the business units, and the jurisdictions in which they are governed. The chart also shows the percentages of such subsidiaries' shares the Company beneficially owns, controls or directs, either directly or indirectly.



(1) The organizational chart does not include all of the subsidiaries of the Company. The assets and revenues of excluded subsidiaries in the aggregate did not exceed 20 per cent of the total consolidated assets or total consolidated revenues of the Company as at December 31, 2025.

(2) ATCO Electric Ltd. includes Electricity Distribution and Electricity Transmission. ATCO Gas and Pipelines Ltd. includes Natural Gas Distribution and Natural Gas Transmission.

(3) ATCO Gas and Pipelines Ltd. and ATCO Electric Ltd. (collectively, the Alberta Utilities) are wholly owned subsidiaries of CU Inc., which is 100 per cent owned by Canadian Utilities.

(4) Canadian Utilities' 50 per cent ownership in LUMA Energy, a company which operates Puerto Rico's 31,000-km electricity transmission and distribution system, is included in International Electricity Operations.

(5) ATCO Renewables Ltd. (ATCO Renewables) includes Electricity Generation, comprised of non-regulated electricity activities including the supply of electricity from solar, wind, hydroelectric, and distributed generation facilities in Canada, Mexico, and Chile.

(6) ATCO Next Energy Ltd. (ATCO Next Energy) includes Storage & Industrial Water and Cleaner Fuels.

(7) ATCO Gas Australia Pty Ltd (ATCO Gas Australia) is a regulated provider of natural gas distribution services in Western Australia, serving Metropolitan Perth and surrounding regions.

(8) ATCO Australia Pty Ltd includes non-regulated electricity generation assets in Australia.

SHAPING THE FUTURE: CANADIAN UTILITIES' AMBITIONS

CREATING PROSPERITY AND OPPORTUNITY FOR GENERATIONS TO COME

Canadian Utilities is a modern, customer-focused, diversified energy company with a relentless drive for growth, simplicity and safety. We are committed to a bright, bold future which creates prosperity and opportunity for generations to come.

OUR CORE VALUES

Our actions reflect our core values of safety, integrity, agility, caring, and collaboration. These core values guide us as we balance the short- and long-term economic, environmental and social considerations of our businesses.

Innovation, growth and financial strength provide the foundation from which we built our Company. Our long-term success depends on our ability to continue offering our customers exceptional, comprehensive and integrated solutions to meet their evolving needs.

CANADIAN UTILITIES' STRATEGY

Canadian Utilities has three key pillars that support our long-term strategy: **Growth and Prosperity**, **Operational Excellence** and **Financial Leadership**.



Growth and Prosperity

Our exceptional foundation of regulated electric and natural gas utilities; non-regulated energy storage and power generation assets; dedicated and highly skilled people; and diverse relationships across the globe position us to capitalize on strategic opportunities driving our next phase of growth and prosperity.

We are focused on unlocking near term growth while charting a resilient path for the future within our fundamental Canadian utility businesses. To achieve this we are focused on successfully executing essential capital projects that create value and facilitate economic growth while safely delivering reliable, resilient and affordable energy to our customers.

Within ATCO EnPower, we are building the next decade of growth by focusing our efforts across energy storage, power generation and cleaner fuels. Executing our strategy will transition our resilient base of existing assets into a diversified, scalable platform that positions ATCO EnPower for the next generation.

Similarly, ATCO Australia is being positioned to move beyond its current base of assets to a diversified energy business by optimizing the current businesses, pursuing organic growth, and seeking step-change inorganic opportunities.

Our \$12 billion five-year regulated utility capital plan (2026-2030) is the most ambitious regulated utility plan our Company has announced in recent years. Our confidence in this plan lies in our robust project pipeline that currently includes Yellowhead Pipeline (Yellowhead) and the Central East Transfer Out (CETO) projects. Additionally, we have identified other utility capital spending that is expected to proceed during the 5-year forecast period associated with customer growth, system reliability and safety, climate and technology, and other program and system investments. In addition to our five-year regulated utility forecast, non-regulated energy projects will drive growth beyond the regulated utility forecast. Projects supporting this growth include the Atlas Carbon Sequestration Hub and natural gas expansion at Carbon and Alberta Hub. The Company is also pursuing other greenfield, brownfield and M&A opportunities aligned with our non-regulated strategic pillars of storage, power generation and cleaner fuels.

The economic drivers within Alberta are fundamental to our growth. Alberta continues to lead population growth in Canada, and in mid-2025, Alberta's population reached five million people, up 2.5 per cent year-over-year. As a provider of essential energy services, Canadian Utilities plays a critical role in enabling population, business and industrial growth within its operating regions.

Operational Excellence

Operational Excellence is anchored in safety, reliability, resiliency, and operational performance. Safety is a foundational imperative and our number one operational priority. By continuing to foster a strong safety culture, Canadian Utilities ensures that operational efficiency, reliability, and resilience are achieved without compromise through company-wide collaboration and championing workplace safety across the business. From a performance perspective, our businesses are known for their ability to drive operational efficiencies.

Financial Leadership

Canadian Utilities is charting a path for sustainable, long-term growth. Our Company was built on an unwavering commitment to financial strength. This continues today with our focus on growing earnings and cash flow, maintaining strong investment grade credit ratings, and prudently sourcing capital to fund growth. This financial leadership drives strong total shareholder return supported by a resilient dividend policy and share appreciation based on the intrinsic value of our expanding diversified portfolio of energy assets.

FURTHER COMMENTARY REGARDING STRATEGIES AND COMMITMENTS

Our financial and operational achievements in 2025 relative to the investment strategies outlined above are included in the Company's Management's Discussion and Analysis (MD&A) for the year ended December 31, 2025, and the 2025 Consolidated Financial Statements. Further commentary regarding strategies will be provided in the forthcoming 2025 Management Proxy Circular, our Business Profile, and our Sustainability Report. The 2025 Management Proxy Circular will also contain a discussion of the Company's corporate governance practices.

Canadian Utilities' website, www.canadianutilities.com, is a valuable source for the latest news of the Company's activities. Prior years' reports are also available on this website.

BUSINESS DESCRIPTION

INVESTING IN LIFE'S ENERGY ESSENTIALS

Canadian Utilities energizes homes, businesses, industries and delivers customer-focused energy infrastructure solutions. We own a diverse, global portfolio of energy investments that deliver operational excellence and strong, resilient financial performance. Fueled by the dedication and skill of approximately 4,800 employees and over 3,800 joint ventures employees, we are building on our core utility businesses and investing in non-regulated energy assets to provide critical energy services that provide the economic backbone of the geographic regions we serve and provide long-term energy resiliency and security.



4M+

Total Customers



\$25B

Total Assets



54

Years of Annual
Dividend Increases



100+ YEARS

Long History of Global
Operations

CURRENT OPERATIONS ⁽¹⁾



⁽¹⁾ ATCO EnPower operates the El Resplandor 3-MW solar project located in Cabrero, Chile that is not represented on the map.

Canadian Utilities is a diversified global energy infrastructure corporation delivering operating and service excellence and innovative business solutions through ATCO Energy Systems (electricity and natural gas transmission and distribution, and international electricity operations); ATCO EnPower (generation, energy storage, industrial water solutions, and cleaner fuels); and ATCO Australia (natural gas distribution and electricity generation).



OVERVIEW

ATCO Energy Systems is our regulated utilities business unit that operates in Canada and Puerto Rico. The four regulated utilities (Electricity Transmission, Electricity Distribution, Natural Gas Transmission and Natural Gas Distribution) operating in Alberta, Saskatchewan and the northern regions of Canada have delivered safe, resilient and reliable electricity and natural gas to customers for decades. International Electricity Operations operates in Puerto Rico through Canadian Utilities' 50 per cent ownership in LUMA Energy.

ATCO Energy Systems' value proposition is embedded in its proven ability to: deliver essential energy for an evolving world to satisfy our customers' evolving needs, provide quality of life to a growing population, advance economies and power industry. Our customers need safe, resilient and reliable services balanced with affordability. We safely deliver this reliable and affordable energy by investing to serve the evolving needs of our customers, being a trusted partner, and providing the integral energy infrastructure required for the expanding population and industry.

COMPETITIVE ENVIRONMENT

The majority of our assets are located in Alberta, Canada, where ATCO Energy Systems' utilities businesses are established and trusted with over 100 years of operations that have involved numerous regulatory and policy changes; this experience provides us an advantage over our peers in the jurisdictions where we operate.

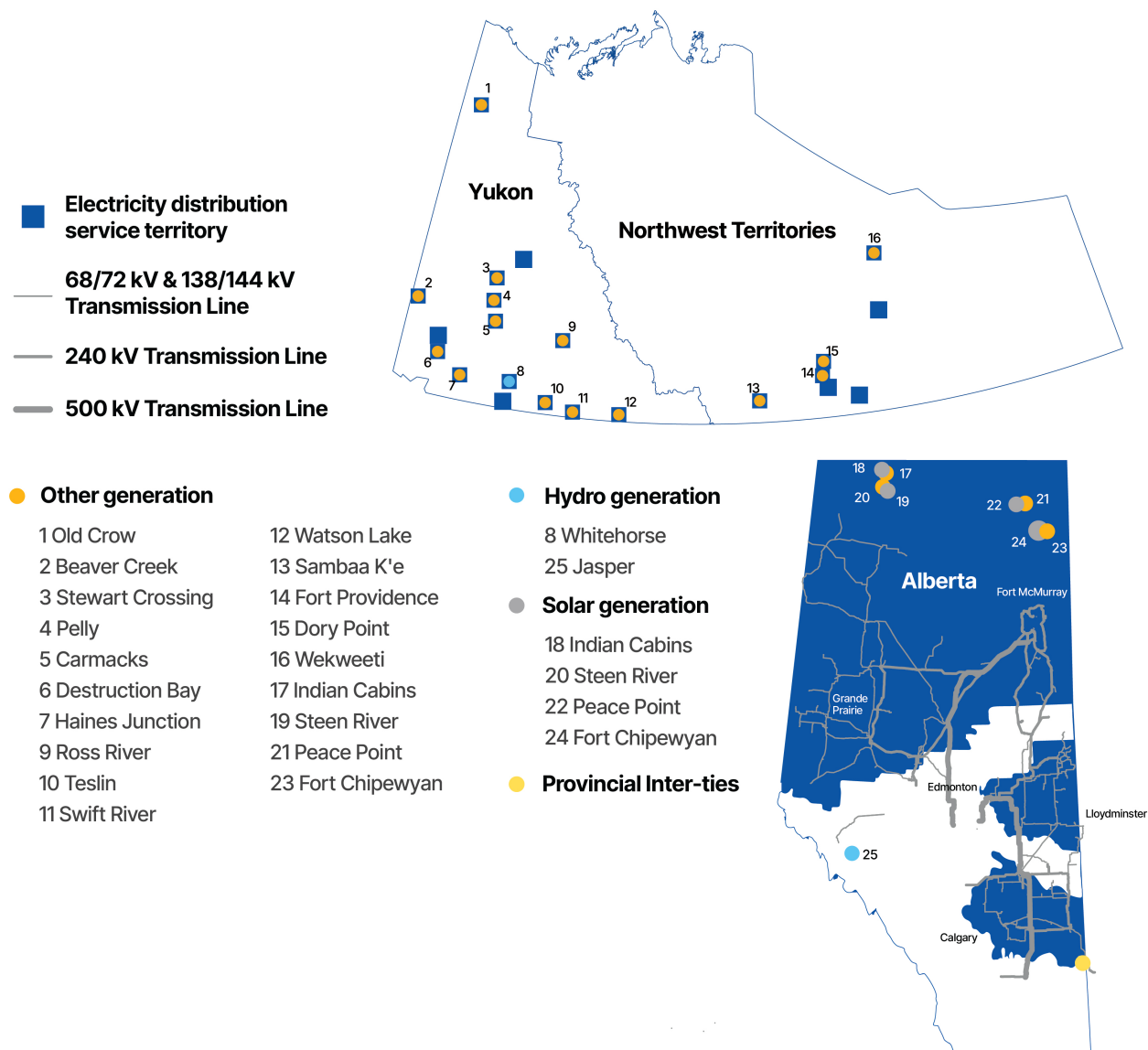
Alberta's energy future is driven by industrial customer and residential population growth over the last few years, evolving regulations, both provincially and federally, and the changing demand for energy infrastructure and growth of both industry and residential customers in our service territories. Collectively, these factors present ATCO Energy Systems with a multitude of opportunities, which it is well positioned to pursue.

SEASONALITY

ATCO Energy Systems' businesses tend to be cyclical due to the nature of electrical generation and natural gas usage, including the fluctuations of customer demands based on both seasonal patterns and annual weather variation, particularly during the winter heating season. Due to these fluctuations, the annualized individual quarterly revenues and earnings are not indicative of our annual results. For example, Natural Gas Distribution's customer rates are based on a forecast of normal temperatures, and these seasonal patterns may result in more or less revenue being recovered from customers than forecasted. Revenues above or below normal temperatures in the current period are refunded to or recovered from customers in future periods.

ELECTRICITY DISTRIBUTION AND TRANSMISSION

The following map shows the areas served by Electricity Distribution and Electricity Transmission, as well as the locations of material electricity generation owned or operated by Electricity Distribution and Transmission, in western and northern Canada.



Electricity Distribution and Transmission transmit and deliver electricity to approximately 240 communities and rural areas in northern and central east Alberta. Among those served are the communities of Drumheller, Grande Prairie, and Fort McMurray, as well as areas near Fort McMurray, Cold Lake and Peace River. Electricity utility service is also provided to three communities in Saskatchewan, including Lloydminster. Electricity Distribution and Transmission is headquartered in Edmonton and has 34 offices throughout its service area.

The Yukon Electrical Company Limited (operating as ATCO Electric Yukon (AEY)) serves 19 communities in the Yukon, including the capital city of Whitehorse, and one community in British Columbia. Naka Power Utilities (NWT) Ltd. (Naka) is a joint venture between a subsidiary of the Company and Denendeh Investments Incorporated, which represents the 27 Dene First Nations of the Northwest Territories. Denendeh Investments Incorporated owns a 51 per cent equity interest. Naka serves eight communities in the Northwest Territories, including the capital city of Yellowknife.

Electricity Distribution and Transmission, AEY and Naka, provide service to approximately 264,000 customers. Electricity Distribution and Transmission have been assigned approximately 65 per cent of the designated service area within Alberta. This service area contains approximately 13 per cent of the provincial electrical load and 12 per cent of the population.

The average monthly number of customers served by Electricity Distribution and Transmission, AEY, and Naka in 2025 and 2024 is shown below.

	2025		2024	
	Number	%	Number	%
Residential	187,456	71	187,938	71
Commercial	34,957	13	35,274	13
Industrial	8,860	4	9,110	4
Rural, REA and other	32,340	12	32,439	12
Total	263,613	100	264,761	100

Electricity distributed to the various classes of customers in 2025 and 2024 is shown below.

	2025		2024	
	GWh	%	GWh	%
Residential	1,381	11	1,366	11
Commercial	2,289	19	2,318	19
Industrial	8,305	66	8,187	66
Rural, REA and other	551	4	525	4
Total	12,526	100	12,396	100

Electricity Distribution and Transmission, AEY, and Naka own and operate extensive electricity transmission and distribution systems. The systems consist of approximately 11,200-km of transmission lines and approximately 60,200-km of distribution lines. In addition, Electricity Distribution and Transmission deliver power to, and operate approximately 3,400-km of distribution lines owned by Rural Electrification Associations (REA).

Electricity Distribution and Transmission, AEY, and Naka distribute electricity to incorporated communities under the authority of franchises or by-laws. In rural areas, electricity is distributed by approvals, permits or orders under applicable statutes.

The franchises under which service is provided in incorporated communities in Alberta and the Northwest Territories have been granted for up to 20 years. These franchises are exclusive to Electricity Distribution and Transmission and Naka, and are renewable by agreement. If any franchise is not renewed, it remains in effect until either party, with the approval of the regulatory authority, terminates it on six months written notice.

On termination of a franchise, the municipality may purchase the facilities used under that franchise at a price to be agreed on or, failing agreement, to be determined by the regulatory authority. The franchise under which service is provided in the Yukon was granted under the *Public Utilities Act* (Yukon) and has no set expiry date.

Under the *Electric Utilities Act* (Alberta) (EUA), wholesale tariffs for electricity transmission must be approved by the Alberta Utilities Commission (AUC). Transmission tariffs allow any owner of a generating unit to access the Alberta transmission system and thus facilitate the sale of its power. The same transmission tariff is charged to each distribution utility or customer directly connected to the transmission system, regardless of location.

Transmission costs are equalized by having each owner of transmission facilities charge its costs to the Alberta Electric System Operator (AESO). The AESO then aggregates these costs and charges a common transmission rate to all transmission system users.

The Transmission Regulation under the EUA stipulates that new transmission projects will be assigned to transmission facility owners based on the service areas of the distribution companies they have been historically affiliated with. Facilities ownership will change at service area boundaries, except where, in the AESO's opinion, only a small portion of the project is in another service area. This rule applies to all transmission projects except inter-provincial inter-tie projects and those deemed "critical" by the Government of Alberta.

ALBERTA POWERLINE

Canadian Utilities is the operator of Alberta PowerLine Limited Partnership (APL) under a 35-year contract ending in 2054. APL owns a 500-km, 500-kV electricity transmission line running from Wabamun, Alberta to Fort McMurray, Alberta. APL is 60 per cent owned by TD Asset Management Inc. for and on behalf of TD Greystone Infrastructure Fund (Global Master) L.P., and IST3 Investment Foundation acting on behalf of its investment group IST3 Infrastruktur Global. The other 40 per cent is owned by seven Indigenous communities in Alberta: Athabasca Chipewyan First Nation, Bigstone Cree Nation, Gunn Metis Local 55,

Mikisew Cree First Nation, by way of its business arm, the Mikisew Group of Companies, Paul First Nation, Sawridge First Nation and Sucker Creek First Nation.

NON-REGULATED ELECTRICITY TRANSMISSION

ATCO Energy Systems operates 17-km of transmission lines across four non-regulated electricity transmission assets in Alberta, including the Scotford transmission line and substation, the Muskeg River transmission line and substation, the Grand Rapids substation, and the Air Products transmission line.

ELECTRICITY GENERATION

Hydroelectric, Solar Generation and Diesel

Electricity Distribution and Transmission owns or operates 2 hydroelectric plants, 12 solar sites, 20 diesel-generating plants and 8 mobile generating units, with an aggregate nameplate capacity of 35-MW in Alberta, the Yukon and Northwest Territories.

The hydroelectric assets include one facility in Whitehorse, Yukon, that generates 1.4-MW of hydroelectric power. The solar sites in Alberta include rooftop and ground mounted solar sites, including the Fort Chipewyan Solar Project, the largest off-grid solar project in Canada, and Old Crow Solar project, the most northerly off-grid solar project in Canada. The diesel sites are spread throughout the Yukon, Northwest Territories and Alberta and serve remote communities that are not connected to the grid.

Canadian Utilities' Electricity Distribution and Transmission continue to advance their strategy to support renewable energy generation and delivery while supporting their customers' energy needs.

ELECTRIC VEHICLE INPUT CHARGING STATIONS

Electric vehicle (EV) fast charging stations provide end-users an opportunity to replace liquid fuel with a low-carbon emitting energy. To date, Canadian Utilities has installed a total of 29 public fast EV charging stations.

INTERNATIONAL ELECTRICITY OPERATIONS

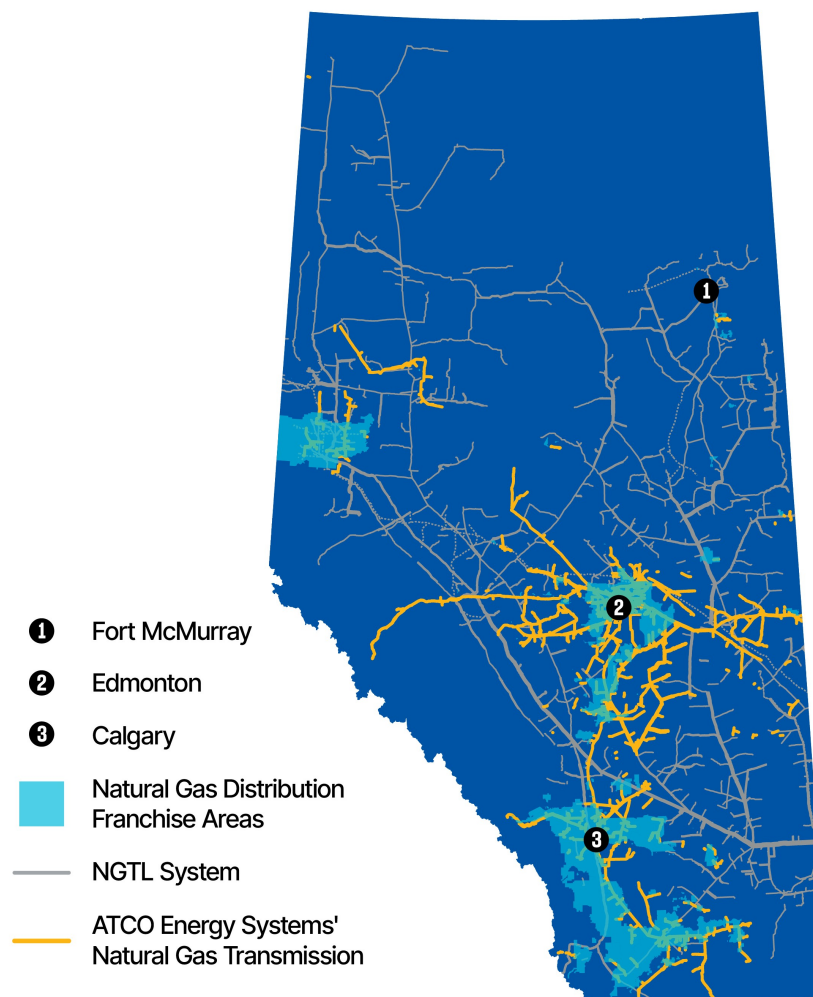
LUMA ENERGY

LUMA Energy provides transmission and distribution services throughout Puerto Rico and serves approximately 1.5 million customers through its joint venture, a company owned 50 per cent by a subsidiary of Canadian Utilities and 50 per cent by a subsidiary of Quanta Services, Inc. (Quanta). LUMA Energy operates approximately 32,000-km of transmission and distribution lines and has approximately 3,800 employees.

On June 22, 2020, LUMA Energy was selected by the Puerto Rico Public-Private Partnerships Authority (P3A) to operate Puerto Rico's electricity transmission and distribution system over a term of 15 years after a one-year transition period as set out in the Operations and Maintenance Agreement (OMA).

Following the transition period, on June 1, 2021, LUMA Energy assumed operations under terms of a Supplemental Agreement as the Puerto Rico Electric Power Authority (PREPA) remained in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 30, 2022. This arrangement allows PREPA to retain ownership of all utility assets without responsibility for day-to-day operations.

NATURAL GAS DISTRIBUTION AND TRANSMISSION



NATURAL GAS DISTRIBUTION

Natural Gas Distribution delivers natural gas throughout Alberta and in the Lloydminster area of Saskatchewan and serves approximately 1.3 million customers in 302 communities.

Natural Gas Distribution's principal markets for distributing natural gas are in the Alberta communities of Edmonton, Calgary, Airdrie, Cochrane, Fort McMurray, Grande Prairie, Lethbridge, Red Deer, Spruce Grove, St. Albert and Sherwood Park. Approximately 76 per cent of Natural Gas Distribution's customers are located in these 11 communities in 2025. The remaining customers were located in 291 smaller and rural communities.

The average monthly number of customers served by Natural Gas Distribution in 2025 and 2024 is shown below.

	2025		2024	
	Number	%	Number	%
Residential	1,231,334	92	1,206,668	92
Commercial	104,878	8	104,913	8
Industrial	345	—	341	—
Other	675	—	697	—
Total	1,337,232	100	1,312,619	100

The quantity of natural gas distributed by Natural Gas Distribution in 2025 and 2024 is shown below.

	2025		2024	
	PJ	%	PJ	%
Residential	123.8	46	124.0	46
Commercial	129.6	48	130.3	48
Industrial	16.8	6	16.6	6
Other	0.2	—	0.2	—
Total	270.4	100	271.1	100

Natural Gas Distribution owns and operates approximately 42,100-km of distribution mains. It also owns service and maintenance facilities in major centres in Alberta.

Natural Gas Distribution delivers natural gas in Alberta municipalities under franchise agreements, and in rural areas under approvals, permits, or orders issued pursuant to applicable statutes. Natural Gas Distribution is currently party to 169 gas distribution franchise agreements with municipalities throughout Alberta. A franchise agreement grants Natural Gas Distribution the exclusive right to distribute natural gas within all, or part of, a municipality. It also authorizes the use of municipal property for the construction and operation of the gas distribution system. In return, municipalities are assured that safe, reliable utility service will be provided to customers. The municipality also could receive a franchise fee (in consideration for the exclusivity provided and historically in lieu of property tax) of up to 35 per cent of revenues derived from delivering gas to the municipality.

Franchise agreements typically run for 10 to 20 years, with the 20-year maximum being established by Alberta's *Municipal Government Act*. When the term of a gas franchise agreement expires, the agreement continues in effect until it is renewed or until either party, with regulatory approval, terminates it on six months' written notice. Upon termination, the municipality has the right to purchase the gas distribution system at a mutually agreed price, or, failing agreement, at a price determined by the regulatory authority.

In Calgary and Edmonton, the distribution of natural gas is carried out under 20-year franchise agreements, the terms of which will expire on February 28, 2045, and July 30, 2030, respectively.

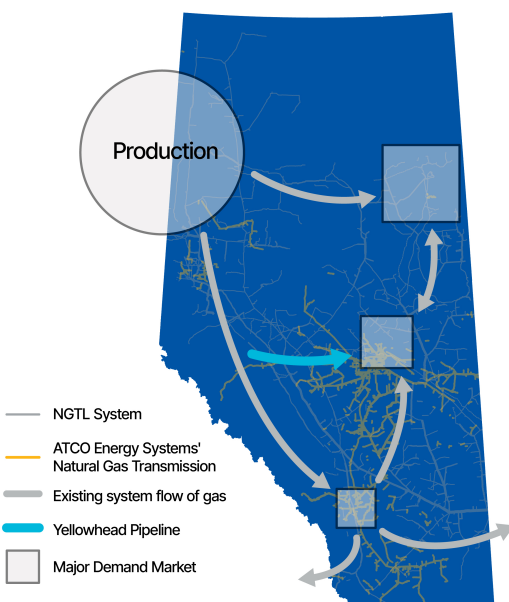
NATURAL GAS TRANSMISSION

Natural Gas Transmission owns and operates natural gas transmission pipelines and facilities in Alberta. The business receives natural gas on its pipeline system from various gas processing plants as well as from connections with other natural gas transmission systems. The business transports the gas to end users within the province such as local distribution utilities and industrial customers, or to other transmission pipeline systems, primarily for export out of the province. Natural Gas Transmission's assets are strategically positioned to support industrial activities, generation assets and the growing population, within Alberta and beyond while capitalizing on the demand and production growth of natural gas.

Natural Gas Transmission owns and operates an extensive natural gas transmission system. The system currently consists of approximately 9,500-km of pipelines, 11 compressor sites, approximately 3,600 receipt and delivery points, and a salt cavern natural gas storage peaking facility near Fort Saskatchewan, Alberta. The system has 165 producer receipt points, 101 interconnections with Nova Gas Transmission Ltd. (NGTL), one interconnection with Alliance Pipeline, and one interconnection with Many Islands Pipelines. Peak delivery capability of the natural gas transmission system is 5.13 billion cubic feet per day.

The Company is focused on successfully executing essential capital projects that create value and facilitate economic growth, including the Yellowhead Pipeline Project (Yellowhead), while safely delivering reliable and affordable energy to our customers. The largest capital project for ATCO Energy Systems to date, Yellowhead will strategically expand the capacity of Alberta's highly integrated natural gas transmission system and remove constraints within the pipeline networks that serve the major economic engines for the province.

Spanning just over 235 kilometres from the Peers area to Fort Saskatchewan, Yellowhead is expected to deliver more than 1,200 terajoules (1.1 billion cubic feet) of natural gas per day, underpinning economic and population growth within the province.



The integrated relationship between NGTL and ATCO Energy Systems' Natural Gas Transmission supports growth in Alberta through a coordinated, province-wide natural gas transmission system. The companies entered into the Alberta System Integration Agreement in 2009, which allows them to utilize their respective physical assets under a single, harmonized rates and services structure with a unified commercial interface for Alberta customers.

Under this integrated model, Natural Gas Transmission owns and operates its pipeline facilities as a prudent operator, exclusively for the Alberta system, while NGTL manages system design and decides on new pipeline needs. As part of the agreement, NGTL acts as the sole contractual counterparty for Alberta customers, providing a single point of contact for contracting, tolls, and services. The agreement applies to both parties' Alberta natural gas transmission assets and eliminates duplicate tolling and operational activities, resulting in greater efficiency and streamlined regulatory processes.

This coordinated approach makes it easier to bring new natural gas production online, supply growing industrial and power generation demand, and justify new infrastructure investments across the province.

Non-regulated Natural Gas Transmission

Natural Gas Transmission operates the 118-km Muskeg River non-regulated natural gas pipeline that provides natural gas transportation service under a long-term commercial agreement to meet the needs of the Muskeg River Mine facilities and other facilities in the Fort McMurray area. Service on the pipeline commenced in June 2002 under a long-term commercial agreement with Canadian Natural Upgrading Limited and other shipper participants.

REGULATORY FRAMEWORKS

The regulatory framework and recent developments are described in the "ATCO Energy Systems Business Unit Performance" section in Canadian Utilities' MD&A, which is incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca.



OVERVIEW

ATCO EnPower's businesses include hydro, solar, wind, and natural gas electricity generation in Canada, Mexico, and Chile, as well as natural gas storage, natural gas liquids storage, and industrial water solutions in Alberta. ATCO EnPower is also developing its cleaner fuels business including carbon capture and sequestration (CCS) projects.

ATCO EnPower delivers reliable and innovative energy solutions designed to meet the needs of a rapidly changing world. The business focuses on offering dependable, cost-effective, and efficient energy infrastructure while leveraging its core competencies and asset base across the Americas. ATCO EnPower takes a disciplined approach to development and investment, aligning its activities with market conditions, customer requirements, and the business's three-pillar growth strategy and long-term vision:



Storage



Generation



Cleaner Fuels

Energy storage continues to play an increasingly important role in supporting system reliability and enabling customer flexibility. ATCO EnPower operates two natural gas storage facilities in Alberta and is focused on optimizing their performance while evaluating opportunities for expansion. The business's natural gas and NGL storage operations, including its facilities within the Heartland Energy Centre, are strategically located and connected to key transmission systems. These assets provide stable contracted and merchant revenue streams and position ATCO EnPower to benefit from continued demand for storage, balancing services, and midstream infrastructure.

Reliable electricity generation remains fundamental to meeting customer needs in Alberta and ATCO EnPower's other markets. In response to evolving market conditions, regulatory developments, and system reliability requirements, ATCO EnPower is prioritizing growth in dispatchable and flexible forms of generation. While its existing renewable assets remain strategic long-term holdings, the business is not currently pursuing additional intermittent renewable projects. Instead, ATCO EnPower is focused on opportunities that enhance system stability and support the business's ability to participate fully in the Alberta electricity market as it continues to evolve. ATCO EnPower also continues to assess both Alberta-based and international opportunities that may complement its generation portfolio.

COMPETITIVE ENVIRONMENT

Energy markets continue to evolve as customers, policymakers, and market operators balance reliability, affordability, and decarbonization objectives. Increasing penetration of intermittent generation and the development of cleaner fuels are contributing to greater demand for storage, flexible generation, and infrastructure solutions. At the same time, the competitive landscape is broadening, with participation from utilities, independent power producers, financial investors, and traditional energy companies.

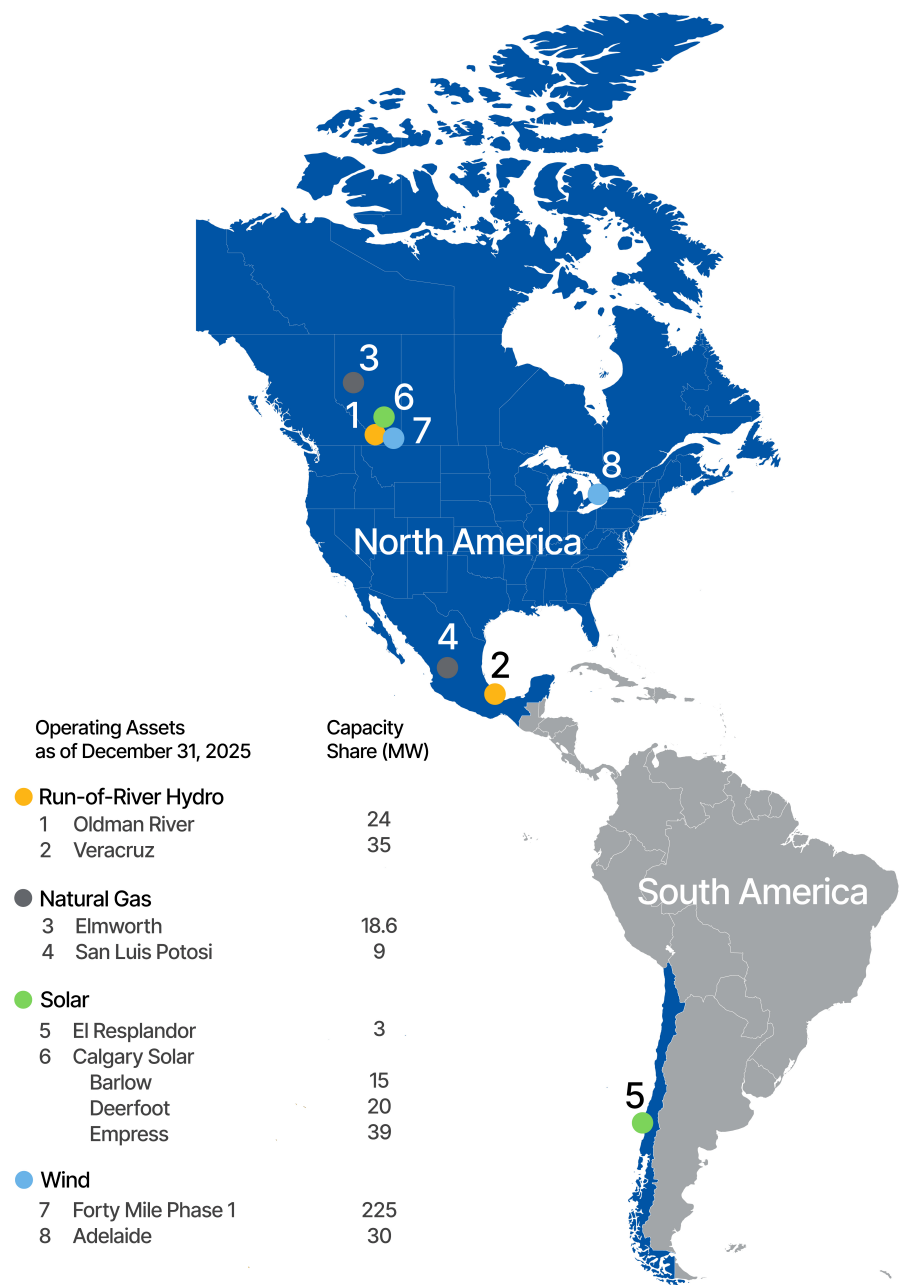
ATCO EnPower's natural gas storage operations remain influenced by seasonal and market-driven price differentials, while its renewable generation assets have exposure to merchant power prices. ATCO EnPower seeks to manage these dynamics through operational performance, disciplined capital allocation, and the pursuit of long-term offtake agreements with high-quality counterparties to support greater revenue stability.

SEASONALITY

ATCO EnPower's businesses tend to be cyclical due to the nature of electricity generation and storage capacity, including the fluctuations of customer demand based on both seasonal patterns and annual weather variation. Additionally, the nature of solar and run-of-river hydroelectric facilities is that they tend to generate most of their electricity and revenues during spring and summer months with melting snow expected to feed watersheds and rivers and the longer days supporting solar generation. Wind, however, is historically greater during the cold winter months when the air density is at its peak. Our energy storage business often sees an increase of revenues, particularly during the winter heating season, when demand for stored energy increases.

ELECTRICITY GENERATION

Electricity Generation owns and operates 476-MW of non-regulated electricity generation operating assets in Canada, Mexico, and Chile as of December 31, 2025.



Asset	Location	Type	Year In Service	Total MW Capacity ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Total MW Contracts / Merchant	Contract Expiry
Forty Mile Phase 1	Bow Island, Alberta, Canada	Wind	2022	225	100	225.00	150 MW Contracted (Microsoft); 75 MW Merchant	2038
Adelaide	Strathroy, Ontario, Canada	Wind	2015	40	75	30.00	40 MW Contracted (Ontario Power Authority)	2035
Barlow	Calgary, Alberta, Canada	Solar	2023	31	49	15.19	31 MW Merchant	n/a
Deerfoot	Calgary, Alberta, Canada	Solar	2023	41	49	20.09	37 MW Contracted (Microsoft)/4 MW merchant	2038
Empress	Empress, Alberta, Canada	Solar	2023	39	100	39.00	39 MW Contracted (Amrize Canada Inc.)	2036
El Resplandor	Cabrero, Chile	Solar PV	2020	3	95	2.85	3 MW Merchant	n/a
Oldman River	Pincher Creek, Alberta, Canada	Hydro electric	2003	32	75	24.00	32 MW Merchant	n/a
Electricidad del Golfo	Veracruz, Mexico	Hydro electric	2014	35	100	35.00	35 MW Contracted (Various)	2028
Elmworth	Grande Prairie, Alberta, Canada	Gas-Fired	2025	19	100	18.60	18.6 MW Merchant	n/a
Distributed Generation	San Luis Potosí, Mexico	Gas-Fired	2016	11	79	8.69	11 MW Contracted (Various)	2025 -2030
Total Generation				476		418.42		

(1) Nameplate capacity.

WIND

Forty Mile Wind Phase I

Located in Forty Mile County in southeastern Alberta, Forty Mile went into operation in December 2022. It has nameplate capacity of 225-MW. Concurrent with the close of a renewable energy portfolio acquisition from Suncor Energy Inc. (Suncor) in January 2023, Canadian Utilities entered into a 15-year renewable power purchase agreement (PPA) with Microsoft Corporation (Microsoft). Under the terms of the agreement, Microsoft will purchase 150-MW of renewable energy generated by Forty Mile wind Phase 1.

Adelaide Wind

Adelaide is a wind facility jointly owned with the Aamjiwnaang First Nation. Located near Strathroy, in the Municipality of Adelaide Metcalfe, Ontario, the facility has nameplate capacity of 40-MW, and is contracted under a long-term PPA with the Ontario Power Authority.

SOLAR

Deerfoot and Barlow Solar

The Deerfoot and Barlow solar projects make up the largest urban solar installation in Western Canada with approximately 170,000 solar panels in total. Located within the city of Calgary, Alberta, and jointly owned with the Chiniki and Goodstoney First Nations, the projects have the capacity to produce 41-MW and 31-MW of energy, respectively, and have a 15-year PPA with Microsoft to purchase up to 37-MW of the renewable energy generated by the Deerfoot project. Both solar projects reached commercial operations in 2023.

The Chiniki and Goodstone First Nations became the majority owners with a 51 per cent ownership stake in the facilities in September 2023.

Empress Solar

The Empress solar facility covers 280 acres south of the village of Empress, Alberta. It has a generating capacity of 39-MW and is contracted under a 12.5-year solar virtual PPA with Amrize Canada Inc. (Amrize) (formerly Lafarge Canada Inc.). Under this agreement, Amrize's Exshaw cement plant notionally receives 100 per cent of the energy produced by Empress Solar. The site reached full commercial operations in 2023.

Chile's El Resplandor Solar Generation Facility

In 2019, Canadian Utilities entered into a partnership with Impulso Capital, a Chilean developer, to build and operate the El Resplandor solar project. Located in Cabrero, Chile, El Resplandor has the capacity to provide 3-MW of solar energy to the Chilean electricity grid.

HYDROELECTRIC

Oldman River Hydro Plant

The Oldman River Hydro Plant is a 32-MW run-of-river project in southern Alberta, commissioned in 2003. The facility is jointly owned by Canadian Utilities and the Piikani Nation.

Electricidad del Golfo Hydro

Canadian Utilities owns Electricidad del Golfo, a long-term contracted, 35-MW hydroelectric power station based in the state of Veracruz, Mexico. Power generated at the plant is capable of supplying more than 200 convenience stores with renewable energy.

GAS GENERATION

Peaking Gas-Fired Generation

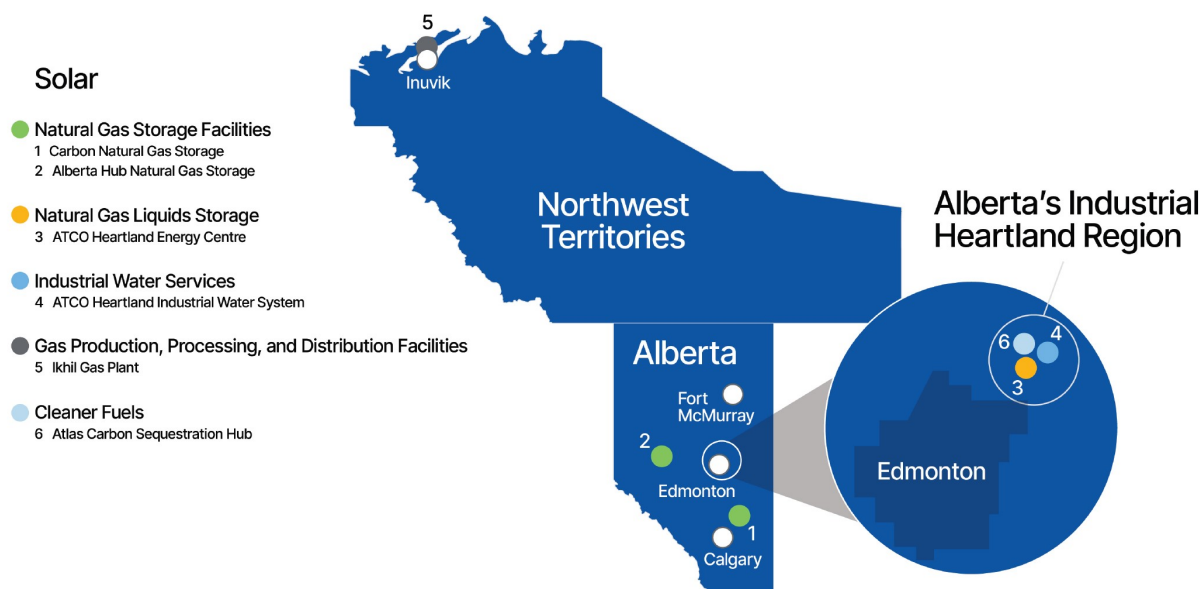
Northstone Power Corp. (Northstone) is the owner and operator of the Elmworth Generation station, an 18.6-MW peaking gas-fired generation facility located near Grande Prairie, Alberta. Northstone was acquired by ATCO Renewables in December 2025.

Distributed Generation

Canadian Utilities and its Mexican partner, Industrial Proximity Services, own 11-MW of distributed generation located in the World Trade Centre industrial park in San Luis Potosí, Mexico. The facility delivers electricity on site through flexible and customized contracts to meet the operational needs of customers across the 700 hectare industrial park.

STORAGE & INDUSTRIAL WATER

Storage & Industrial Water builds, owns and operates non-regulated industrial water, natural gas storage, NGL storage, and natural gas related infrastructure to serve the midstream and petrochemical sector of western Canada's energy industry. It also operates and owns a one-third interest in a regulated natural gas distribution system in the Northwest Territories.



NATURAL GAS STORAGE

Storage & Industrial Water provides customized natural gas storage tailored to customers' specific needs. Services range from daily to multi-year terms and are offered to financial institutions, marketing companies, pipeline operators, retail energy providers and producers. Storage & Industrial Water owns and operates two natural gas storage facilities located near Carbon, Alberta and Edson, Alberta.

The natural gas storage facility at Carbon, Alberta is a natural gas reservoir with a seasonal storage capacity of 68 petajoules. The facility is connected to multiple transmission pipeline systems and has been in service for more than 50 years.

The Alberta Hub natural gas storage facility near Edson, Alberta was acquired in December 2021 and is an underground natural gas storage facility that has a capacity of approximately 49 petajoules. This facility is connected to the NOVA Gas Transmission system.

NATURAL GAS LIQUIDS STORAGE

The ATCO Heartland Energy Centre near Fort Saskatchewan, Alberta, includes assets held in a partnership between ATCO Next Energy (60 per cent ownership share) and AltaGas (40 per cent ownership share), focused on supporting customers through natural gas liquids and hydrocarbon storage, and the related infrastructure. The facility consists of 5 storage caverns, which have a combined storage capacity of 544,000 cubic metres and operate under long-term contracts. The first two caverns have been in service since 2016, two additional caverns came into service in 2018, and the fifth cavern came into service in 2022.

INDUSTRIAL WATER

Storage & Industrial Water's multi-user water system is connected to the North Saskatchewan River through our industrial water system. We provide integrated water services including pipeline transportation, storage, water treatment, recycling and disposal to a number of our industrial customers. This industrial water system also supplies water for the development of salt caverns for our NGL storage facilities in the region. The water infrastructure capacity is 85,200 m³/day.

GAS PRODUCTION, PROCESSING AND DISTRIBUTION FACILITIES

Storage & Industrial Water has a non-operating 33.3 per cent ownership interest in one natural gas production, gathering and processing facility, the Ikhill gas plant.

CLEANER FUELS

ATCO HEARTLAND HYDROGEN HUB PROJECT (AH3)

In the fourth quarter of 2025, ATCO EnPower made the decision to pause development of AH3, its ammonia export project, due to transportation and infrastructure limitations, and insufficient policy certainty, which undermine the project's near-term viability. While Western Canada has strong fundamentals for low-carbon hydrogen and ammonia production, the absence of clear, stable policy frameworks, competitive funding, and the ability to move product to tidewater present material barriers.

Despite this pause, ATCO EnPower remains committed to advancing practical, value-creating opportunities in its non-regulated energy portfolio—such as energy storage and power generation—while continuing to advocate for the market conditions, incentives, and carbon policy tools needed to resume cleaner fuels hydrogen-related development when the environment improves.

ATLAS CARBON SEQUESTRATION HUB

The Atlas Carbon Storage Hub is a partnership project located at Alberta's Industrial Heartland near Fort Saskatchewan, Alberta. Its primary goal is to develop a CCS facility with an initial capacity to capture 800,000 tonnes of CO₂ per year.

On June 26, 2024, ATCO EnPower, in partnership with Shell Canada Limited, made a Final Investment Decision to proceed with the first phase of the project. The first phase is expected to be operational in late 2028 and will be anchored by CO₂ volumes from Shell's Polaris carbon capture project. The hub is designed as a multi-phase, open-access storage solution and will be able to store emissions from the Alberta Industrial Heartland region, with future expansions subject to additional investment decisions.



OVERVIEW

ATCO Australia includes ATCO Gas Australia and ATCO Power Australia. ATCO Gas Australia is a regulated provider of natural gas distribution services in Western Australia, serving metropolitan Perth and surrounding regions. ATCO Power Australia develops, builds, owns and operates energy and infrastructure assets, including two natural gas fired generation plants: Karratha in the Pilbara region of Western Australia, and Osborne in Adelaide, South Australia.

ATCO's growth strategy in Australia is aligned with the country's evolving energy landscape characterized by progressive policies and publicly stated emissions targets. Increased demand and reliability shortfalls in key Australian electricity markets requires delivery of new power generation, storage and transmission. Leveraging our strong existing base business and with ATCO Australia's continued focus on delivering and operating strategic energy infrastructure assets, we aim to substantially increase our capacity and play a key role in supporting Australia's energy transition and the rising demand for affordable and cleaner energy.



COMPETITIVE ENVIRONMENT

Australia has an evolving energy landscape characterized by progressive policies and publicly stated emissions targets. These evolving regulations, government emissions reduction targets and associated investment incentives present ATCO Australia with opportunities, which it is well positioned to pursue. ATCO Gas Australia has been involved in numerous regulatory and policy changes; this experience provides us an advantage over our peers.

ATCO Australia is also focused on lower emission energy adoption and the development of firming technologies. Increased demand and reliability shortfalls in key Australian electricity markets requires delivery of new power generation, storage and transmission. The competitive landscape around lower emission energy is continually shifting as we see more financial, strategic and traditional energy producers become increasingly interested in renewables and cleaner fuels as part of the global energy transition.

SEASONALITY

ATCO Australia is not impacted by cyclical or seasonal events in a manner that materially affects business results.

ATCO GAS AUSTRALIA

ATCO Gas Australia provides natural gas distribution services in Western Australia and serves approximately 827,000 customers in 18 communities, including metropolitan Perth and surrounding regions such as Geraldton, Bunbury, Busselton, Kalgoorlie, Harvey, Pinjarra, Brunswick Junction and Capel. ATCO Gas Australia owns and operates approximately 15,000-km of natural gas pipelines and associated infrastructure. The business also distributes liquefied petroleum gas to the community of Albany through its non-regulated Albany Gas Distribution System (AGDS). ATCO Gas Australia has announced its intention to phase out the AGDS network over the next three years commencing in the second half of 2026, after an extensive review identified that many of the pipes are nearing end-of-life and the cost of replacing them would be too financially onerous for customers.

The average monthly number of customers served by ATCO Gas Australia in 2025 and 2024 is shown below.

	2025		2024	
	Number	%	Number	%
Residential	811,816	98	799,965	98
Commercial	15,035	2	14,853	2
Industrial	173	—	174	—
Total	827,024	100	814,992	100

The quantity of gas distributed by ATCO Gas Australia in 2025 and 2024 is shown below.

	2025		2024	
	PJ	%	PJ	%
Residential	10.2	38	9.8	37
Commercial	3.7	14	3.6	13
Industrial	12.9	48	13.3	50
Total	26.8	100	26.7	100

ATCO POWER AUSTRALIA

ATCO Power Australia maintains ownership in and currently operates two natural gas fired generation plants: Karratha in the Pilbara region of Western Australia, and Osborne in Adelaide, South Australia. These facilities collectively generate 266-MW of power and provide energy for thousands of public sector, domestic, industrial and commercial clients.

Asset	Location	Type	Year In Service	Total MW Capacity ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Total MW Contracts / Merchant	Contract Expiry
Karratha	Western Australia	Gas-Fired Open-cycle	2010	86	100	86	86 MW Contracted (Horizon Power)	2030
Osborne	South Australia	Gas-Fired Combined-cycle	1998	180	50	90	180 MW Contracted (Origin Electricity ⁽²⁾)	2027
Total				266		176		

⁽¹⁾ Name plate capacity.

⁽²⁾ Origin Electricity refers to Origin Energy Electricity Limited.

KARRATHA POWER STATION

Commissioned in 2010, the 86-MW Karratha Power Station is critical energy infrastructure and a reliable, scheduled electricity generation facility located in the North West Interconnected System in the resource rich Pilbara region of Western Australia. The facility supplies electricity to the state-owned regional electric utility, Horizon Power, under a 20-year tolling power offtake contract. The facility consists of two online open cycle, natural gas turbines and a spare third gas turbine on site.

OSBORNE

Osborne is a 50/50 joint venture between ATCO Power Australia and Origin Energy Limited (Origin Energy) that commenced commercial operation on December 7, 1998. The 180-MW Osborne facility, operated by ATCO Power Australia, is located near Adelaide, South Australia, and is designed to accommodate operation in both cogeneration and combined cycle modes. Prior to July 2015, Osborne sold its electrical output under a long-term (20-year) PPA to Origin Electricity. In July 2015, the PPA was amended to a tolling agreement whereby Origin Electricity (as the electricity off-taker) supplies the natural gas at its own cost and in turn, utilizes the facility for its required electricity output.

In 2018, ATCO Australia negotiated a five-year extension to the PPA with Origin Electricity for Osborne to December 31, 2023. In February 2023, ATCO Australia executed an extension to the current PPA that expires December 31, 2026 with an option to extend for one year. On February 3, 2025, Origin Electricity exercised their option to extend the PPA to December 31, 2027. The terms of the extension are similar to the current tolling arrangement with increased flexibility and dispatch capability for the customer.

HYDROGEN OPERATIONS

ATCO Australia continues to support hydrogen development through its work at the Clean Energy Innovation Hub, a test bed for hybrid energy solutions integrating natural gas, solar photovoltaic, battery storage, and hydrogen production. Additionally, since 2022, ATCO Australia is blending a small percentage of hydrogen into a portion of the natural gas distribution network for around 2,700 homes within the City of Cockburn, and in partnership with Fortescue Future Industries, constructed Western Australia's first Hydrogen Refuelling Station.

REGULATORY FRAMEWORK

The regulatory framework and recent developments are described in the "ATCO Australia Business Unit Performance" section in Canadian Utilities' MD&A, which is incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca.

THREE YEAR HISTORY

Summarized below are the major events, acquisitions, dispositions, and conditions that have influenced the Company's development during the past three years.

REVENUE SUMMARY

Each business unit's contribution to the Company's consolidated revenues is shown in the chart below.

Revenues ⁽¹⁾	2025		2024		2023	
	(\$ millions)	%	(\$ millions)	%	(\$ millions)	%
ATCO Energy Systems	3,108	84	3,071	83	2,968	78
ATCO EnPower	328	9	313	8	346	9
ATCO Australia	243	6	241	6	225	6
Financing & Other	27	1	184	5	384	10
Intersegment Eliminations	(16)	—	(67)	(2)	(127)	(3)
Total	3,690	100	3,742	100	3,796	100

(1) Data has been extracted from Note 3 ("Segmented Information") of the 2025 Consolidated Financial Statements which are prepared in accordance with International Financial Reporting Standards (IFRS). The reporting currency is the Canadian dollar. Certain comparative figures have been reclassified to conform to the current presentation.

ATCO ENERGY SYSTEMS

Revenues and earnings in ATCO Energy Systems are driven by capital investment. Capital spending is the main contributor to rate base growth. Rate base growth is a primary driver of revenue and earnings growth. ATCO Energy Systems has invested \$3.9 billion in capital since 2023.

ATCO Energy Systems' revenues have been positively impacted over the last three years mainly due to growth in rate base. However, throughout the last three years, revenues have been influenced by several regulatory decisions. Following the annual update of the AUC approved return on equity (ROE) formula, 2025 ROE was set at 8.97 per cent compared to the 2024 rate of 9.28 per cent. In 2025, revenues were offset by the completion of the Efficiency Carryforward Mechanism funding of up to 0.5 per cent additional ROE for Electricity Distribution and Natural Gas Distribution that had positively impacted revenues in 2023 and 2024. Additionally, higher revenues in 2025 were partially offset by the commencement of refunds of \$35 million and \$36 million to the customers of Electricity Distribution and Natural Gas Distribution, respectively, over the September 1, 2025 to February 28, 2026 period, resulting from the AUC's PBR2 re-opener Phase II Decision rendered in the second quarter of 2025. The Company has been granted leave to appeal this decision by the Alberta Court of Appeal, which will hear the appeal in April 2026.

CAPITAL EXPENDITURES

Total capital expenditures in ATCO Energy Systems in the last three years is provided in the table below.

(\$ millions)	Total	Year Ended December 31		
		2025	2024	2023
Electricity Distribution	1,239	393	455	391
Electricity Transmission	816	271	306	239
Natural Gas Distribution	1,205	443	407	355
Natural Gas Transmission	668	292	231	145
Total	3,928	1,399	1,399	1,130

ELECTRICITY DISTRIBUTION AND TRANSMISSION

Capital expenditures in utility infrastructure over the past three years have included system upgrades and growth projects for new customers, including the Central East Transfer Out (CETO) project in Electricity Transmission, the replacement of aging infrastructure, grid modernization, and off-diesel initiatives.

Central East Transfer Out Project

In 2024, Electricity Transmission began construction of the CETO project, an electric transmission system project direct assigned to both ATCO Electric and AltaLink LP by the AESO. Electricity Transmission is building 85-km of the transmission line and AltaLink is constructing the remaining 50-km. The construction of the 135-km 240kV transmission line will support renewable energy integration in Alberta and transport electricity in the counties of Red Deer, Lacombe and Stettler, supplying more than 1,500-MW of electricity to Alberta's grid.

Electricity Transmission completed the winter season construction in the first quarter of 2025, and progressed substation tendering for civil, structural and electrical works and began fall season construction in the third quarter of 2025. Electricity Transmission's 85-km of the transmission line is on track to be energized by June 2026 with an approximate \$255 million project spend.

INTERNATIONAL ELECTRICITY OPERATIONS

On June 22, 2020, LUMA Energy, a company owned 50 per cent by a subsidiary of Canadian Utilities and 50 per cent by a subsidiary of Quanta, was selected by the P3A to operate Puerto Rico's 32,000-km electricity transmission and distribution system over a term of 15 years after a one-year transition period as set out in the OMA. The transition period commenced in the second quarter of 2020.

Following the transition period, on June 1, 2021, LUMA Energy assumed operations under terms of a Supplemental Agreement as PREPA remains in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 30, 2022. This arrangement allows PREPA to retain ownership of all utility assets without responsibility for day-to-day operations.

NATURAL GAS DISTRIBUTION AND TRANSMISSION

Capital expenditures in Natural Gas Distribution and Transmission over the past three years have been focused on system upgrades and growth projects for new customers, including Yellowhead Pipeline Project (Yellowhead) in 2025. Capital expenditures also included the replacement of aging infrastructure, such as the Urban Pipelines Replacement Program and the Mains Replacement Program.

Yellowhead Pipeline Project

Yellowhead, the largest capital project ATCO Energy Systems has embarked on, consists of approximately 235 kilometres of high-pressure natural gas pipeline with the projected spend estimated at \$2.9 billion, a Class III estimate with an expected accuracy of +/-20 per cent. The pipeline is 100 per cent contracted with customers, and is on track for construction to commence in 2026, subject to both AUC and corporate approvals. In the third quarter of 2025, the AUC approved the Need Assessment Application for the project. As one of two key regulatory filings that require approval from the AUC to advance, this approval marks a major milestone in the development of Alberta's energy infrastructure. ATCO Energy Systems filed a separate facility application on November 4, 2025 to seek AUC approval for construction and operation of the physical infrastructure.

Mains Replacement Program

Natural Gas Distribution has two mains replacement programs which were approved in 2011, the plastic mains replacement and the steel mains program. The plastic mains replacement includes 8,000-km of polyvinyl chloride (PVC) and early generation polyethylene (PE) pipe that are planned for replacement. Natural Gas Distribution has replaced 2,988-km of PVC and PE pipe since the approval of this program. The steel mains program includes 9,000-km of steel pipe that is monitored and continually evaluated for replacement based on the performance history. Natural Gas Distribution has replaced 417-km of steel pipe since the approval of this program.

OTHER

Impairments

In 2025, the Alberta Utilities recorded asset impairments of \$42 million (after-tax). These impairments are mainly related to certain hydrogen assets in Natural Gas Distribution which were impaired due to the uncertainty of utility hydrogen regulations being considered by the Government of Alberta, and certain electricity generation assets in Electricity Transmission which are no longer in service.

ATCO ENPOWER

Revenues in the ATCO EnPower business have been positively impacted over the last three years by stronger seasonal spreads in natural gas storage services, and revenues from the renewable assets acquired and energized in 2023. Revenues in 2024 and 2025 were partially offset by lower generation and lower capture pricing realized at the Forty Mile wind facility. Additionally, revenues in 2023 were partially offset by loss of revenues attributable to non-regulated electricity and natural gas transmission activities, which were recorded under ATCO Energy Systems starting in 2023.

Significant capital expenditures in the ATCO EnPower business over the last three years have included the Barlow, Deerfoot, and Empress Solar projects that reached commercial operations in 2023. Additionally, ATCO EnPower has been engaged in the development of cleaner fuels, including the development of the Atlas Carbon Sequestration Hub.

ELECTRICITY GENERATION

Calgary Solar Development Projects

In September 2023, the Chiniki and Goodstoney First Nations and ATCO EnPower announced a partnership agreement for the Deerfoot and Barlow solar projects, the largest solar installation in an urban centre in Western Canada. Under the terms of the agreement, the Chiniki and Goodstoney First Nations have become the majority owners with a 51 per cent ownership stake in the facilities. The 31-MW Barlow and 41-MW Deerfoot projects (acquired in 2021) reached commercial operations in the second and third quarters, respectively, of 2023.

Empress Solar Development Project

In September 2023, Canadian Utilities entered into a 12.5-year virtual PPA with Lafarge Canada Inc. (now Amrize). Under the terms of the agreement, Amrize's Exshaw cement plant will notionally purchase 100 per cent of the solar power generated from the 39-MW Empress solar project that was acquired in 2021. The Empress solar project achieved commercial operations in the fourth quarter of 2023.

Renewable Energy Portfolio Acquisition

In early 2023, Canadian Utilities closed the acquisition of renewable assets from Suncor for a purchase price of \$691 million, net of cash acquired and working capital adjustments. The acquisition included a majority interest in the 40-MW Adelaide wind facility in Ontario, the 202-MW (uprated to 225-MW subsequent to acquisition) Forty Mile wind facility in Alberta, and a development pipeline with more than 1,500-MW of wind and solar projects at various stages of development.

Concurrent with the close of this acquisition, Canadian Utilities entered into a 15-year renewable energy purchase agreement with Microsoft beginning July 1, 2023. Under the terms of the agreement, Microsoft will purchase 150-MW of renewable energy generated by Canadian Utilities' Forty Mile wind Phase 1 facility in Alberta. The offtake from the Adelaide wind facility is also contracted under a long-term PPA with the Ontario Power Authority until January 2035.

Elmworth Generating Station Acquisition

In December 2025, ATCO EnPower acquired a 100 per cent ownership interest in Northstone Power Corp., a privately-owned Alberta-based independent power producer. Northstone is located near Grande Prairie, Alberta, and owns and operates the 18.6-MW Elmworth generating station. Operating primarily as a gas peaking facility, this acquisition complements ATCO EnPower's existing Alberta generation portfolio. A natural gas peaker has different economics as it supplements power flowing onto the grid during times of high usage and captures a different price profile than the existing renewables in the portfolio.

Other

Impairments

In 2025, ATCO EnPower recorded impairments and asset write-offs of \$408 million (after-tax) mainly related to the Alberta Renewables Portfolio that was primarily driven by the Government of Alberta's recent legislated policy and regulatory changes, including the retirement of the zero-congestion transmission framework, combined with longstanding transmission infrastructure constraints that were not addressed prior to these changes. This includes elevated curtailment from inadequate transmission infrastructure and electricity grid deficiencies, which are expected to worsen under the AESO's new Optimal Transmission Planning and restructured energy market regulatory reforms. These impacts, combined with existing market conditions (oversupply of electricity driving low power prices and weak carbon pricing), further amplify the financial impact, resulting in the impairments.

ATCO AUSTRALIA

In 2024, the Company changed its operating segment structure to better align with management accountability. This change created the operating segment, ATCO Australia, which includes natural gas distribution (ATCO Gas Australia) and electricity generation operations (ATCO Power Australia) based in Australia. Previously, ATCO Australia's natural gas distribution operations were reported in the ATCO Energy Systems operating segment and the electricity generation operations were reported in the ATCO EnPower operating segment.

Over the last three years, ATCO Australia's revenues have been positively impacted by higher rates and increased system volumes in ATCO Gas Australia. In 2025, rates further increased as a result of moving into the sixth Access Arrangement (AA6), which adopts a return on equity of 8.23 per cent for the period of January 1, 2025 to December 31, 2029 compared to 5.02 per cent in the previous Access Arrangement. Additionally, in 2024 and 2025, ATCO Power Australia's revenue was positively impacted from Early Contract works under the South Australia Hydrogen Jobs Plan project in 2024, and the execution of a settlement deed in 2025.

Capital expenditures for ATCO Australia over the past three years have largely been focused on utility infrastructure programs including end of life mains replacement.

ATCO GAS AUSTRALIA

Over the last three years, ATCO Gas Australia has continued the end of life mains replacement program and growth capital expenditures for the distribution network within the scope of works set out in the approved Access Arrangement. Over the same period, capital expenditures included gas pipeline relocations at the request of the government in Western Australia. These relocations are due to significant infrastructure development programs and are fully funded by the government.

Albany Gas Network Decommissioning

In 2025, ATCO Australia recorded asset impairments of \$21 million (after-tax). During 2025, ATCO Australia performed an extensive review of its non-regulated Albany Gas Distribution System (AGDS), and identified that many of the pipes that make up AGDS are nearing end-of-life and the cost of replacing them would be too financially onerous for customers. As a result, ATCO Gas Australia announced its intention to phase out the AGDS network over the next three years commencing in the second half of 2026. ATCO is working with the Western Australia Government and industry partners to support a smooth transition for the almost 8,000 households and businesses served by the network.

SOURCE SOLAR

In 2024, ATCO Australia sold its 100 per cent investment in Source Solar.

FINANCING & OTHER

In 2025, the Company renamed the Corporate & Other reporting segment to Financing & Other to reflect the segment's composition after the sale of ATCO Energy to ATCO in 2024.

SALE OF ATCO ENERGY LTD.

In the third quarter of 2024, Canadian Utilities sold its 100 per cent investment in ATCO Energy to its parent company, ATCO, for an agreed sale price of \$85 million, plus bank indebtedness of \$31 million, resulting in a loss on sale of \$14 million. The sale price was supported by independent fairness opinions.

EXECUTIVE APPOINTMENTS AND RETIREMENTS

Effective October 1, 2023, John Ivulich was appointed to Chief Executive Officer & Country Chair of ATCO Australia, which includes ATCO Gas Australia and ATCO Power Australia.

On January 19, 2024, the Company announced the retirement of Executive Vice President and Chief Financial Officer, Brian P. Shkrobot, effective March 1, 2024. Katherine-Jane Patrick, Executive Vice President, Chief Financial & Investment Officer, ATCO, expanded her portfolio to include Chief Financial Officer for Canadian Utilities effective March 1, 2024.

Effective January 31, 2025, following an impressive 35-year global career at ATCO, Wayne K. Stensby, Chief Operating Officer, ATCO Energy Systems retired.

Effective February 1, 2025, Robert J. Myles was appointed to the role of President & Chief Operating Officer, Canadian Utilities, Ms. Patrick's title was amended to Executive Vice President, Chief Financial & Investment Officer, and D. Jason Sharpe was appointed as Chief Operating Officer, ATCO Energy Systems.

Effective May 1, 2025, Wayne D. O'Connor was appointed Executive Vice President & Chief Regulatory Officer.

Effective May 8, 2025, the Canadian Utilities' Board of Directors appointed Nancy Southern as the Executive Chair of Canadian Utilities and Robert J. Myles as Chief Executive Officer, Canadian Utilities.

Effective January 2, 2026, M. George Constantinescu, Executive Vice President & Chief Transformation Officer, retired.

BOARD OF DIRECTORS APPOINTMENTS

Effective May 3, 2023, Kelly C. Koss-Brix and Robert J. Routs were appointed to the Board of Directors of Canadian Utilities.

On January 1, 2025, Jennifer A. Westacott was appointed to the Board of Directors of Canadian Utilities.

BOARD OF DIRECTORS RETIREMENTS

In 2025, Hector A. Rangel and Laura A. Reed retired from the Canadian Utilities Board of Directors, and did not stand for re-election at the Annual Meeting held May 7, 2025.

PARTICIPATION IN CANADIAN UTILITIES DIVIDEND REINVESTMENT PLAN (DRIP)

Effective July 11, 2024, Canadian Utilities suspended its DRIP program. Canadian Utilities had previously reinstated its DRIP on January 13, 2022, for eligible owners of Class A shares and Class B shares who are enrolled in the program. The DRIP allowed eligible owners of Class A shares and Class B shares to reinvest all or a portion of their dividends in additional Class A shares.

PLAN OF ARRANGEMENT TRANSACTION

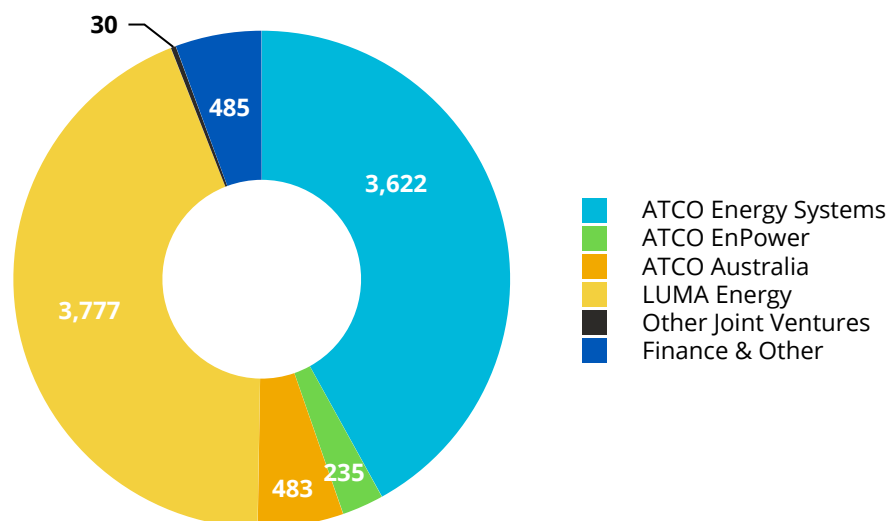
On December 15, 2023, the Company completed an exchange proposal (the Arrangement) to holders (Non-Controlling Holders) of Class B shares other than ATCO, Sentgraf Enterprises Ltd. and the Margaret E. Southern Spousal Trust (the MES Spousal Trust). The Arrangement was completed by way of a statutory plan of arrangement under the *Canada Business Corporations Act*. Under the terms of the Arrangement, each Class B share held by a Non-Controlling Holder was exchanged for 1.1 Class A shares of the Company. Following completion of the Arrangement, the only remaining holders of Class B shares were ATCO, Sentgraf and the MES Spousal Trust, and the Class B shares were delisted from the Toronto Stock Exchange (TSX) on December 19, 2023.

BRANDING INITIATIVE

In 2023, we launched two brands; ATCO Energy Systems is the brand for our gas and electrical utility services business in the Americas and ATCO EnPower is the brand for our non-regulated energy business, including renewables, cleaner fuels, and energy storage.

EMPLOYEE INFORMATION

At December 31, 2025, the Company had 8,632 employees. The accompanying chart represents the employee numbers in each segment including the 3,807 employees in our joint ventures (including LUMA Energy).



SPECIALIZED SKILLS AND KNOWLEDGE

Canadian Utilities' diversified investments require a wide range of talent to continue to operate at world-class levels. Each of our business units are required to develop and retain a skilled workforce for their operations. Many of our employees possess specialized skills and training and the Company must compete in the marketplace for these workers. As part of our people resourcing and management strategy, we believe in investing in our people by promoting and supporting their development. We also complete succession and development planning annually with a significant focus on critical roles and skills while providing leadership and individual development programs. Further details about workforce retention are discussed in the "Business Risks and Risk Management" section of the Company's MD&A.

ETHICS, SOCIAL AND ENVIRONMENTAL POLICIES

Throughout the ATCO group of companies, including Canadian Utilities, our Code of Ethics sets out the behaviours and standards of conduct we expect of ourselves and each other. It provides an overview of the policies and practices that must be followed by anyone who works for, or represents, the ATCO group of companies. The Code of Ethics is readily accessible on our intranet and on our website at www.atco.com. Employees are required to complete online training – available in English, French and Spanish – and certification, annually. Suppliers who conduct activities for, or on behalf of, the ATCO group of companies are expected to review the Code of Ethics and align with the principles and guidance it provides.

Along with the Code of Ethics, the Company has developed several policies which set out the principles, expectations and requirements for conducting business at ATCO and they create a framework for our internal standards, guidelines and procedures. The policies also align with externally mandated standards that may apply to specific business functions. Our governance framework provides flexibility to our business units to develop internal standards, guidelines and procedures which meet our different business needs. Examples of policies developed include those related to a Safe & Secure Workplace (mitigating risks and minimizing harm), Anti-Corruption (dealing with persons of influence), the Environment (delivering

services in an environmentally responsible manner), Indigenous Relations (building and maintaining positive and sustainable relationships), and Procurement (working with vendors with high standards of ethical business conduct).

Our Code of Ethics is reviewed and updated on a regular basis. In prior years, updates have included explicitly prohibiting the use of modern slavery within any ATCO business activities to align with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. At the ATCO group of companies, our approach to human rights is based on the United Nations (UN) Universal Declaration of Human Rights and we respect human rights in accordance with the UN Guiding Principles on Business and Human Rights.

ENVIRONMENTAL PROTECTION

We recognize the importance of minimizing our environmental footprint and implementing policies and procedures that promote environmental protection.

The Company and its subsidiaries are subject to applicable environmental laws and regulations, including those set forth by federal, provincial, and local authorities. This includes, but is not limited to, regulations concerning air, water, and soil quality; the discharge of pollutants; the transportation and disposal of waste; and the protection of flora, fauna, and natural resources such as forests, grasslands, surface water, threatened or endangered species, migratory birds, and human health.

Our environmental policies and operating procedures are intended to achieve compliance with such applicable environmental laws and regulations. Our businesses have established Environmental Management Systems that align with international standards such as ISO 14001, and are designed to identify, manage, and mitigate environmental risks associated with our operations. These systems are adaptive and evolve in response to the changing nature of the Company's business risks and objectives.

Our risk reporting processes include key risk indicators (including health, safety, and environmental matters) that are reported to the Audit & Risk Committee of the Board. This is an opportunity for the businesses to discuss how they are managing and mitigating risks to their business.

Environmental protection requirements did not have a significant financial or operational effect on the Company's capital expenditure, earnings, or competitive position for the year ended December 31, 2025.

SUSTAINABILITY

Sustainability is described in the "Sustainability" section in Canadian Utilities' MD&A, which is incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca. The 2025 Sustainability Report will be published in May 2026.

POLICY AND REGULATORY UPDATES

Policy and regulatory updates are described in the "Policy and Regulatory Updates" section in Canadian Utilities' MD&A, which is incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca.

BUSINESS RISKS AND RISK MANAGEMENT

Business risks are described in the "Business Risks and Risk Management" section in Canadian Utilities' MD&A, which is incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca.

INTANGIBLES

The Company's intangible assets mainly consist of computer software not directly attributable to the operation of property, plant and equipment, and land rights. We do not consider any individual software or land right to be material to our operations.

For further details, please refer to Note 14 of the 2025 Consolidated Financial Statements.

DIVIDENDS

Cash dividends declared during the past three years for all series and classes of shares were as follows.

(Canadian dollars per share)		Date of Issue	2025	2024	2023
Series Second Preferred Shares					
Series Y	Sep 21, 2011		1.2990	1.2990	1.2990
Series AA	Jun 18, 2012		1.2250	1.2250	1.2250
Series BB	Jul 5, 2012		1.2250	1.2250	1.2250
Series CC	Mar 19, 2013		1.1250	1.1250	1.1250
Series DD	May 15, 2013		1.1250	1.1250	1.1250
Series EE	Aug 7, 2015		1.3125	1.3125	1.3125
Series FF ⁽¹⁾	Sep 24, 2015		1.1250	1.1250	1.1250
Series HH	Dec 9, 2021		1.1875	1.1875	1.1875
Series JJ ⁽²⁾	Nov 27, 2025		n.a.	n.a.	n.a.
Class A and Class B Shares			1.8308	1.8124	1.7944

(1) The 4.50 per cent Series FF Preferred Shares were redeemed on December 1, 2025.

(2) The 5.60 percent Series JJ Preferred Shares were issued on November 27, 2025.

The Company's practice is to pay dividends quarterly on its Class A shares and Class B shares. The Company has increased its common share dividends each year since 1972. On January 8, 2026, the Board of Directors declared a first quarter dividend of 46.23 cents per share or \$1.85 on an annualized basis. The payment of any dividend is at the discretion of the Board of Directors and depends on our financial condition and other factors.

CAPITAL STRUCTURE

SHARE CAPITAL

The share capital of the Company at February 24, 2026 is as shown below.

Share Description	Authorized	Outstanding
Series Preferred Shares	150,000	–
Series Second Preferred Shares	Unlimited	62,100,000
Class A shares	Unlimited	205,542,087
Class B shares	Unlimited	66,598,854

SERIES PREFERRED SHARES

The Series Preferred Shares are entitled, in priority to the Series Second Preferred Shares and the Class A shares and Class B shares, to fixed cumulative preferential cash dividends and, in the event of the liquidation, dissolution or winding-up of the Company, or other distribution of assets of the Company among its share owners for the purpose of winding up its affairs, to the amount paid up thereon and accrued and unpaid dividends and, if such action is voluntary, the premiums payable on redemption, if any.

The Series Preferred Shares are subject to redemption on 30 days' notice and are non-voting except upon the failure of the Company to pay dividends on any such shares for a period of 18 months, in which case the owners of all such shares are entitled to one vote per share at meetings of share owners.

The provisions attaching to the Series Preferred Shares stipulate that no shares ranking junior to the Series Preferred Shares may be retired unless all dividends then payable on the Series Preferred Shares shall have been declared and paid.

There are currently no Series Preferred Shares outstanding.

SERIES SECOND PREFERRED SHARES

An unlimited number of Series Second Preferred Shares are issuable in series, each series consisting of such number of shares and having such provisions attaching thereto as may be determined by the directors. The Series Second Preferred Shares as a class have, among others, provisions to the following effect:

- i. The Series Second Preferred Shares rank junior to the Series Preferred Shares but are, with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company, entitled to preference over the Class A shares and the Class B shares and any other shares of the Company ranking junior to the Series Second Preferred Shares. The Series Second Preferred Shares may also be given such other preference over the Class A shares and the Class B shares and any other junior shares as may be determined for any series authorized to be issued.
- ii. The Series Second Preferred Shares of each series rank equally with the Series Second Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company.
- iii. The owners of the Series Second Preferred Shares are not entitled as such (except as provided in any series) to any voting rights nor to receive notice of or to attend share owners' meetings unless dividends on the Series Second Preferred Shares of any series are in arrears to the extent of eight quarterly dividends or four half-yearly dividends, as the case may be, whether or not consecutive. Until all arrears of dividends have been paid, such owners will be entitled to receive notice of and to attend all share owners' meetings at which directors are to be elected (other than separate meetings of owners of another class of shares) and to one vote in respect of each Series Second Preferred Share held.

The following Series Second Preferred Shares are currently outstanding:

	Stated Value	Shares	Amount (\$ millions)
Cumulative Redeemable Second Preferred Shares			
5.196% Series Y	\$25.00	13,000,000	325
4.90% Series AA	\$25.00	6,000,000	150
4.90% Series BB	\$25.00	6,000,000	150
4.50% Series CC	\$25.00	7,000,000	175
4.50% Series DD	\$25.00	9,000,000	225
5.25% Series EE	\$25.00	5,000,000	125
4.75% Series HH	\$25.00	8,050,000	201
5.60% Series JJ	\$25.00	8,050,000	201
			1,552

Series Y Preferred Shares

The Series Y Preferred Shares became redeemable by the Company on June 1, 2017, and are redeemable on June 1 of every fifth year thereafter, in whole or in part at the stated value plus all accrued and unpaid dividends. If not redeemed, holders may elect to convert any or all of their Series Y Preferred Shares into an equal number of Cumulative Redeemable Second Preferred Shares Series Z on June 1, 2022, and on June 1 of every fifth year thereafter. Holders of the Series Z Preferred Shares will be entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board, payable quarterly at a rate equal to the then current 3-month Government of Canada Treasury Bill yield plus 2.40 per cent. On June 1, 2027, and on June 1 of every fifth year thereafter (Series Z Conversion Date), holders of the Series Z Preferred Shares may elect to convert any or all of their Series Z Preferred Shares back into an equal number of Series Y Preferred Shares. The Company may redeem the Series Z Preferred Shares in whole or in part at \$25.00 on a Series Z Conversion Date or at \$25.50 on any other date. In June 2022, Canadian Utilities reset the quarterly dividend rate on its Series Y Preferred Shares for the five-year period from and including June 1, 2022 to but excluding June 1, 2027. The fixed dividend will be paid as and when declared by the Board of Directors of Canadian Utilities based on an annual dividend rate of \$1.299 per share or 5.196 per cent per annum.

Series AA and Series BB Preferred Shares

The Series AA and Series BB Preferred Shares were redeemable in whole or in part at the option of the Company starting September 1, 2017 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declined by 1 per cent in each succeeding twelve month period until September 1,

2021. After September 1, 2021, the Series AA and Series BB Preferred Shares are now redeemable without any premium per share plus accrued and unpaid dividends to the date of redemption.

Series CC Preferred Shares

The Series CC Preferred Shares were redeemable in whole or in part at the option of the Company starting June 1, 2018 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declined by 1 per cent in each succeeding twelve month period until June 1, 2022. After June 1, 2022, the Series CC Preferred Shares are now redeemable without any premium per share plus accrued and unpaid dividends to the date of redemption.

Series DD Preferred Shares

The Series DD Preferred Shares were redeemable in whole or in part at the option of the Company starting September 1, 2018 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declined by 1 per cent in each succeeding twelve month period until September 1, 2022. After September 1, 2022, the Series DD Preferred Shares are now redeemable without any premium per share plus accrued and unpaid dividends to the date of redemption.

Series EE Preferred Shares

The Series EE Preferred Shares are redeemable in whole or in part at the option of the Company starting September 1, 2020 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declines by 1 per cent in each succeeding twelve month period until September 1, 2024. After September 1, 2024, the Series EE Preferred Shares are now redeemable without any premium per share plus accrued and unpaid dividends to the date of redemption.

Series HH Preferred Shares

The Series HH Preferred Shares are redeemable in whole or in part at the option of the Company starting March 1, 2027 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declines by 1 per cent in each succeeding twelve month period until March 1, 2030.

Series JJ Preferred Shares

The Series JJ Preferred Shares are redeemable in whole or in part at the option of the Company starting March 1, 2031 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declines by 1 per cent in each succeeding twelve month period until March 1, 2035.

CLASS A NON-VOTING SHARES AND CLASS B COMMON SHARES

Class A and Class B share owners are entitled to share equally, on a share for share basis, in all dividends the Company declares on either of such classes of shares as well as in the Company's remaining property on dissolution. Class B share owners are entitled to vote and to exchange at any time each share held for one Class A share.

If a take-over bid is made for the Class B shares and if it would result in the offeror owning more than 50 per cent of the outstanding Class B shares (excluding any Class B shares acquired upon conversion of Class A shares), the Class A share owners are entitled, for the duration of the take-over bid, to exchange their Class A shares for Class B shares and to tender the newly exchanged Class B shares to the take-over bid. Such right of exchange and tender is conditional on completion of the applicable take-over bid.

In addition, Class A share owners are entitled to exchange their shares for Class B shares if ATCO Ltd., the Company's controlling share owner, ceases to own or control, directly or indirectly, more than 10,000,000 of the issued and outstanding Class B shares. In either case, each Class A share is exchangeable for one Class B share, subject to changes in the exchange ratio for certain events such as a stock split or rights offering.

Of the 12,800,000 Class A shares authorized for grant of options under our stock option plan, 9,152,600 Class A shares were available for issuance at December 31, 2025. Options may be granted to officers and key employees of the Company and its subsidiaries at an exercise price equal to the weighted average of the trading price of the shares on the TSX for the five trading days immediately preceding the grant date. The vesting provisions and exercise period (which cannot exceed 10 years) are determined at the time of grant.

PREFERRED SHARE RESTRICTIONS ON DIVIDEND DISTRIBUTIONS

The Company's articles contain provisions for each series of preferred shares that would restrict the declaration or payment of dividends on Class A shares or Class B shares, or any other series of preferred shares ranking junior, unless all outstanding dividends up to and including the dividends payable on the last respective dividend payment date have been paid or set apart for payment.

NORMAL COURSE ISSUER BID (NCIB)

We believe that, from time to time, the market price of our Class A shares may not fully reflect the value of our business, and that purchasing Class A shares represents a desirable use of available funds. The purchase of Class A shares, at appropriate prices, will also minimize any dilution resulting from the exercise of stock options.

On September 9, 2024, we commenced an NCIB to purchase up to 2,049,604 outstanding Class A shares. The bid expired on September 8, 2025 in accordance with its terms, and no shares were purchased. The Company will consider renewing the NCIB when there is a present intention to purchase shares, subject to Board approval and acceptance by the TSX.

LONG-TERM DEBT

The Company and its subsidiaries have issued unsecured debentures. Details with respect to the issued and outstanding long-term debt can be found in Note 17 of the 2025 Consolidated Financial Statements. These debentures and subordinated notes are not listed or quoted on any exchange. The Consolidated Financial Statements may be found on SEDAR+ at www.sedarplus.ca.

CREDIT FACILITIES

At December 31, 2025, Canadian Utilities and its subsidiaries had the following lines of credit.

(\$ millions)	Total	Used	Available
Long-term committed	2,507	781	1,726
Short-term committed	343	343	—
Uncommitted	450	118	332
Total	3,300	1,242	2,058

Of the \$3,300 million in total lines of credit, \$450 million was in the form of uncommitted credit facilities with no set maturity date. The other \$2,850 million in credit lines was committed with maturities between 2026 and 2029, and may be extended at the option of the lenders.

Of the \$1,242 million in lines of credit used, \$681 million was related to ATCO Gas Australia. Long-term committed credit lines are used to satisfy all of ATCO Gas Australia's term debt financing needs. The majority of the remaining usage is related to the funding needs in ATCO EnPower and the issuance of letters of credit. Details with respect to the credit facilities can be found in Note 17 of the 2025 Consolidated Financial Statements. The Consolidated Financial Statements may be found on SEDAR+ at www.sedarplus.ca.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The ratings indicate the likelihood of payment and an issuer's capacity and willingness to meet its financial commitment on an obligation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization.

As is customary, the Company makes payments to the credit ratings organizations for the assignment of ratings as well as other services. The Company expects to make similar payments in the future.

Credit ratings are important to the Company's financing costs and ability to raise funds. The Company intends to maintain strong investment grade credit ratings in order to provide efficient and cost-effective access to funds required for operations and growth.

The following table shows the current credit ratings assigned to Canadian Utilities, CU Inc., and ATCO Gas Australia.

	DBRS	Fitch
Canadian Utilities		
Issuer	A	A-
Senior unsecured debt	A	A-
Commercial paper	R-1 (low)	F2
Preferred shares	PFD-2	BBB
CU Inc.		
Issuer	A (high)	A-
Senior unsecured debt	A (high)	A
Commercial paper	R-1 (low)	F2
Preferred shares	PFD-2 (high)	BBB+

S&P Global Ratings has assigned Canadian Utilities' subsidiary ATCO Gas Australia ⁽¹⁾ an A- issuer and senior unsecured debt credit rating with a stable outlook.

(1) ATCO Gas Australia is a regulated provider of natural gas distribution services in Western Australia, serving metropolitan Perth and surrounding regions.

On July 23, 2025, DBRS Limited affirmed its 'A (high)' long-term corporate credit rating and stable outlook on Canadian Utilities' subsidiary CU Inc.

On August 28, 2025, DBRS Limited affirmed its 'A' long-term corporate credit rating and stable outlook on Canadian Utilities Limited.

On October 27, 2025, Fitch Ratings affirmed its 'A-' issuer rating with a stable outlook on both Canadian Utilities and CU Inc.

Subsequent to year-end, on February 25, 2026, S&P Global Ratings revised Canadian Utilities' subsidiary ATCO Gas Australia's 'BBB+' issuer credit rating with a positive outlook to an 'A-' issuer credit rating with a stable outlook.

ISSUER CREDIT RATINGS AND LONG-TERM DEBT

An 'A' issuer rating by DBRS is the third highest of ten categories. An issuer rated 'A' is of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than 'AA'. A-rated issuers may be vulnerable to future events, but qualifying negative factors are considered manageable. Each rating category other than 'AAA' and 'D' contains the subcategories 'high' and 'low'. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

An 'A' rating by Fitch is the third highest of eleven categories. An 'A' rating denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

An 'A' rating by S&P is the third highest of ten categories. An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

A 'BBB' rating by Fitch is the fourth highest of eleven categories. A 'BBB' rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

COMMERCIAL PAPER AND SHORT-TERM DEBT CREDIT RATINGS

An 'R-1 (low)' rating by DBRS is the lowest subcategory in the highest of six categories and is granted to short-term debt of good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating subcategories and may be vulnerable to future events, but qualifying negative

factors are considered manageable. Rating categories 'R-1' and 'R-2' are denoted by the subcategories 'high', 'middle', and 'low'.

An 'F2' rating by Fitch is the second highest of seven categories. 'F2' indicates a good capacity for timely payment of financial commitments relative to other issuers or obligations in the same country or monetary union. However, the margin of safety is not as great as in the case of the higher ratings.

PREFERRED SHARE CREDIT RATINGS

A 'PFD-2' rating by DBRS is the second highest of six categories granted by DBRS. Preferred shares rated in this category are generally of good credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet, and coverage ratios are not as strong as 'PFD-1' rated companies. Each rating category is denoted by the subcategories 'high' and 'low'. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

A 'BBB' rating by Fitch is the fourth highest of eleven categories. A 'BBB' rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

MARKET FOR SECURITIES OF THE COMPANY

The Company's Class A shares and Cumulative Redeemable Second Preferred Shares, Series Y, AA, BB, CC, DD, EE, HH, and JJ are listed on the TSX.

TRADING PRICE AND VOLUME

The following table sets forth the high and low prices and volume of the Company's shares during 2025 on the TSX under the symbols CU for Class A shares, CU.PR.C for Series Y shares, CU.PR.D for Series AA shares, CU.PR.E for Series BB shares, CU.PR.F for Series CC shares, CU.PR.G for Series DD shares, CU.PR.H for Series EE shares, CU.PR.J for Series HH shares, and CU.PR.K for Series JJ shares. The Series FF shares which traded under the symbol CU.PR.I were redeemed on December 1, 2025.

CLASS A SHARES

2025	Class A Shares		
	High (\$)	Low (\$)	Volume
January	\$35.21	\$33.17	15,540,098
February	\$35.32	\$33.21	15,458,156
March	\$36.95	\$34.38	16,121,032
April	\$38.67	\$34.10	21,496,976
May	\$38.86	\$36.23	16,639,247
June	\$38.63	\$37.26	12,377,108
July	\$39.68	\$37.34	16,777,371
August	\$39.13	\$37.56	15,709,038
September	\$38.70	\$37.13	12,193,857
October	\$40.76	\$38.51	14,308,644
November	\$42.96	\$39.00	16,197,275
December	\$42.70	\$40.87	13,161,969

CUMULATIVE REDEEMABLE SECOND PREFERRED SHARES

2025	Series Y			Series AA			Series BB		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
January	\$22.20	\$21.20	161,306	\$22.64	\$21.06	290,430	\$21.73	\$20.90	49,269
February	\$21.99	\$21.36	151,401	\$21.30	\$20.70	41,636	\$21.31	\$20.63	64,892
March	\$21.47	\$20.90	308,437	\$21.50	\$21.20	93,332	\$21.43	\$21.19	76,952
April	\$21.30	\$18.93	109,124	\$21.53	\$20.10	58,584	\$21.35	\$20.10	100,919
May	\$21.51	\$20.16	566,525	\$20.91	\$20.35	38,571	\$20.88	\$20.31	19,062
June	\$24.25	\$21.44	146,398	\$21.42	\$20.89	45,427	\$21.44	\$20.89	154,325
July	\$24.10	\$23.45	110,479	\$22.51	\$21.14	42,238	\$22.40	\$21.17	94,904
August	\$24.12	\$23.40	154,207	\$23.28	\$22.02	29,011	\$22.50	\$22.01	17,891
September	\$23.78	\$23.37	197,908	\$22.90	\$22.12	13,886	\$23.05	\$22.18	29,342
October	\$24.35	\$23.65	115,607	\$23.28	\$22.17	33,510	\$23.05	\$22.40	19,172
November	\$24.39	\$23.43	129,033	\$23.26	\$21.88	37,728	\$23.25	\$21.86	31,560
December	\$24.81	\$24.24	144,348	\$22.65	\$22.12	62,387	\$22.52	\$22.10	101,594

2025	Series CC			Series DD			Series EE		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
January	\$20.25	\$19.60	35,393	\$20.15	\$19.29	544,807	\$22.92	\$22.06	120,525
February	\$20.10	\$19.05	123,577	\$20.18	\$19.12	120,372	\$22.69	\$22.04	53,648
March	\$20.15	\$19.69	106,597	\$20.19	\$19.58	98,806	\$23.46	\$22.29	333,490
April	\$20.25	\$18.50	57,209	\$20.22	\$18.50	75,725	\$23.57	\$22.24	281,274
May	\$19.84	\$18.87	28,108	\$19.89	\$18.89	61,176	\$22.79	\$22.22	47,959
June	\$20.11	\$19.40	22,151	\$20.09	\$19.02	64,211	\$24.45	\$22.80	20,826
July	\$20.79	\$19.66	41,729	\$20.71	\$19.75	81,015	\$23.94	\$23.31	48,580
August	\$21.01	\$20.47	29,243	\$21.48	\$20.48	30,169	\$23.84	\$23.20	61,980
September	\$21.41	\$20.40	71,760	\$21.25	\$20.30	36,176	\$24.50	\$23.60	55,558
October	\$21.38	\$20.74	55,906	\$21.65	\$20.64	130,036	\$24.55	\$23.82	54,489
November	\$21.75	\$20.33	110,841	\$21.50	\$20.32	46,072	\$24.99	\$23.28	70,444
December	\$21.63	\$20.50	203,498	\$21.46	\$20.52	65,006	\$25.00	\$23.49	65,008

2025	Series FF			Series HH			Series JJ		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
January	\$25.08	\$24.72	350,891	\$20.50	\$19.91	185,733	—	—	—
February	\$25.07	\$24.75	74,399	\$20.80	\$19.80	111,332	—	—	—
March	\$24.88	\$24.39	366,246	\$21.25	\$20.50	141,107	—	—	—
April	\$25.01	\$24.31	183,912	\$21.45	\$19.02	302,682	—	—	—
May	\$25.19	\$24.65	52,604	\$20.60	\$19.50	37,334	—	—	—
June	\$25.22	\$25.01	149,386	\$21.00	\$20.25	15,935	—	—	—
July	\$25.46	\$25.08	148,003	\$21.92	\$20.07	69,611	—	—	—
August	\$25.48	\$25.00	297,945	\$21.96	\$21.45	32,717	—	—	—
September	\$25.40	\$25.05	308,649	\$22.51	\$21.62	45,679	—	—	—
October	\$25.30	\$25.11	94,417	\$22.29	\$21.46	59,384	—	—	—
November	\$25.25	\$24.96	376,835	\$22.63	\$21.33	33,683	\$25.03	\$24.88	841,107
December	\$25.01	\$25.00	1,274	\$22.13	\$21.49	82,308	\$25.39	\$24.98	572,909

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS ⁽¹⁾



MATTHIAS F. BICHSEL, PhD ⁽³⁾

Primary residence Luzern, Switzerland

Director since 2014

Independent

Dr. Bichsel is an energy and technology consultant and corporate director. From 2009 until his retirement in 2014, he was a member of the Executive Management Board of Royal Dutch Shell plc and ran one of its four global businesses, where his responsibilities included capital projects delivery, technology and R&D, engineering, supply chain management and procurement as well as drilling. Dr. Bichsel was also accountable for the safety and environmental performance of Shell. He was further responsible for sustainable development including climate change, emissions, pollution, societal shifts and stakeholder interests. He is an investor, board member and adviser in clean technology and robotics start-up companies. From 2015 until 2023, Dr. Bichsel was senior adviser for McKinsey & Co. He was, from 2015 until 2023, vice-chairman of the board of Sulzer Ltd, a Swiss industrial conglomerate. From 2016 until 2023, he was member of the board of South Pole Ltd, a Swiss-based global leader of carbon emissions reduction projects.

Dr. Bichsel has a PhD in Geology from the University of Basel, Switzerland, and is an Honorary Professor at the Chinese University of Petroleum, Beijing, China.



LORAIN M. CHARLTON ^{(2) (3)}

Primary residence Calgary, Alberta, Canada

Director since 2006

Independent

Prior to her retirement in November 2022, Ms. Charlton was Vice President and Chief Financial Officer of Lintus Resources Limited, a private oil and gas company with interests across Western Canada. With over three decades of experience in the oil and gas industry, Ms. Charlton has held various positions involving responsibility for directing overall management, including financial reporting, banking, debt and treasury management, investor relations, risk management, human resources, operations and strategy.

Ms. Charlton graduated from the University of Calgary with a Bachelor of Commerce degree in Finance, and holds the ICD.D certification from the Institute of Corporate Directors.



ROBERT J. HANF, K.C. ⁽²⁾ ⁽³⁾

Primary residence Calgary, Alberta, Canada

Director since 2021

Independent

Mr. Hanf served as an executive leader within Emera Inc. and its group of companies for almost 20 years. Prior to his retirement in 2020, he was Executive Vice President, Stakeholder Relations and Regulatory Affairs responsible for strategy and alignment of stakeholder and regulatory relations, communications, and government relations. During his career, he held positions as President and Chief Executive Officer of Nova Scotia Power Inc., Chief Legal Officer of Emera Inc., Executive Chairman of Barbados Light & Power Holdings Ltd., and President and COO of Bangor Hydro Electric Company. Previously he worked in Western Canada's construction and energy sectors for over a decade and was a partner in the Calgary office of McCarthy Tétrault LLP.

He is currently a director of Mancal Corporation and of Sentgraf Enterprises Ltd., and is the immediate past Chair of the Board of Governors of Dalhousie University and is a former director of the Canadian Electricity Association and the Energy Council of Canada.

Mr. Hanf has a LL.B. from Dalhousie University and has held an ICD.D certification from the Institute of Corporate Directors since 2008.



KELLY C. KOSS-BRIX ⁽⁴⁾

Primary residence Calgary, Alberta, Canada

Director since 2023

Not Independent Ms. Koss-Brix is not independent because she has a material relationship with CU. She is an immediate family member of the Executive Chair.

Ms. Koss-Brix is a Director of ATCO Ltd. and in 2025, joined the Office of the Chair. She has been a member of the Board of Directors of Sentgraf Enterprises Ltd. since 2017. In 2019, she joined the Board of Directors of Spruce Meadows, an internationally recognized equestrian facility in Calgary, Alberta. She is a member of the Spruce Meadows Audit & Risk Committee and serves as a Director of the Spruce Meadows Leg Up Foundation.

Ms. Koss-Brix is an accomplished equestrian professional and former professional rider. She competed internationally for 15 years and was a member of the Canadian Equestrian Team prior to her retirement in 2017. She also serves as Vice-President, Development for an equestrian facility in Alberta.

Ms. Koss-Brix obtained a B.A. in Political Science from the University of Calgary in 2010, completed a Business Enterprise and Governance course from the Sentgraf Academy developed by Professor David Beatty from the Rotman School of Management, and obtained her ICD.D certification from the Institute of Corporate Directors in 2023.



ROBERT J. NORMAND ⁽⁴⁾

Primary residence Edmonton, Alberta, Canada

Director since 2008

Independent

Mr. Normand retired in 2015 as Chair of the Workers Compensation Board of Alberta, the agency which administers workplace insurance for the workers and employers of the Province of Alberta. In 2008, he retired from the position of President and Chief Executive Officer of Alberta Treasury Branches (ATB). Prior to joining ATB as Executive Vice-President Sales in 1996, he was employed by the Bank of Montreal for 26 years and held line and credit executive positions in Quebec, Ontario and Alberta.

Through his experience in the financial services sector, he has developed extensive knowledge and expertise in the areas of finance, regulatory matters and risk management.

Mr. Normand is a Fellow of the Institute of Canadian Bankers and holds a B.A. (Econ.) from Sir George Williams University and an MBA from Concordia University.



ALEXANDER J. POURBAIX

Primary residence Calgary, Alberta, Canada

Director since 2019

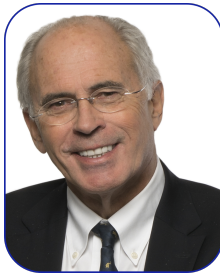
Independent

Mr. Pourbaix has been a member of Board of Directors of Cenovus Energy Inc. since November 2017, when he was also appointed President & Chief Executive Officer. He was appointed Executive Chair of the Board of Directors of Cenovus in April 2023 upon stepping down as President & Chief Executive Officer. He transitioned to Board Chair of Cenovus in May 2025.

Mr. Pourbaix served as the President & Chief Executive Officer of Cenovus from November 2017 to April 2023 where he was instrumental in strengthening Cenovus's balance sheet, implementing a disciplined capital allocation framework and reducing costs. He led the company's strategic acquisition of Husky Energy, which closed in January 2021, and also helped co-found Pathways Alliance. Mr. Pourbaix was also a director of Trican Well Service Ltd., a publicly traded oilfield services provider, from May 2019 to December 2019. Prior to joining Cenovus, Mr. Pourbaix spent 27 years with TC Energy and its affiliates in a broad range of leadership roles, including Chief Operating Officer, where he was responsible for the company's commercial activities and overseeing major energy infrastructure projects.

Mr. Pourbaix has been a director of NRG Energy Inc., a publicly traded energy and home services company, since November 2023. Mr. Pourbaix is also a director of the Business Council of Alberta and the Alberta Regional Board of Nature Conservancy Canada. He was previously Chair of the Mount Royal University Board of Governors, the Board of Governors at the Canadian Association of Petroleum Producers (CAPP), the Canadian Energy Pipeline Association, and also served as a board member of the Business Council of Canada. In 2022, Mr. Pourbaix was awarded the Queen's Platinum Jubilee Medal in recognition of the contributions he has made to Alberta.

Mr. Pourbaix earned LL.B. and B.A. degrees from the University of Alberta.



ROBERT J. ROUTS, PhD

Primary residence Brunnen, Switzerland

Director since 2023

Independent

Dr. Routs is the Lead Director of ATCO and is a director of ATCO Structures & Logistics Ltd., ATCO Australia Pty Ltd and Neltume Ports S.A. Until his retirement in 2008, Dr. Routs was an Executive Board Member at Royal Dutch Shell plc. He was responsible for the global refining, chemical, marketing, trading and renewable businesses. During his career, he held various senior management positions in the US, Canada and the Netherlands, including Chairman of Shell Canada prior to the buyout of the public shareholding by Royal Dutch Shell plc. Dr. Routs has substantial experience in the refining and chemical industry with a strong focus on operational safety and sustainable operations to reduce the industry's impact on the environment.

Dr. Routs is an emeritus member of the International Advisory Council to the Economic Development Board of Singapore and received the Distinguished Friend of Singapore medal. Dr. Routs was Chairman of the Board of Aegon NV from 2009 until 2019 and Chairman of the Board of Royal DSM NV from 2011 until May 2021. From 2010 to February 2021, Dr. Routs was a director of AECOM Technology Corporation.

Dr. Routs graduated in Chemical Engineering from the Technical University of Eindhoven in the Netherlands, where he also obtained a PhD in Technical Sciences. He completed the Program for Management Development at Harvard Business School in 1991.



NANCY C. SOUTHERN

Primary residence Calgary, Alberta, Canada

Director since 1990

Not Independent As Executive Chair, Ms. Southern is not independent because she has a material relationship with CU.

Nancy Southern, A.O.E., B.E.M., is Executive Chair of Canadian Utilities and is Chair & Chief Executive Officer of ATCO Ltd. As Executive Chair of Canadian Utilities, Ms. Southern provides leadership to the Board of Directors to ensure continued strong governance on behalf of the Board, and guides Canadian Utilities' strategic direction, vision and ongoing operational success. As Executive Chair, Ms. Southern continues to advocate on matters of national importance, including government and regulatory affairs, energy policy, security and defence, and Indigenous relations.

After joining the Canadian Utilities Board of Directors in 1990, Ms. Southern was President from 2003-2015 and Chief Executive Officer from 2003-2019 and 2021-2025. She was Executive Chair in 2020 and 2021. Ms. Southern served as Co-Chair prior to being appointed Chair from 2012 through 2019 and she resumed as Chair in July 2021. Ms. Southern serves as Executive Vice President of Spruce Meadows Ltd. and is a founding director of AKITA Drilling Ltd., a director of Sentgraf Enterprises Ltd., an Honorary Director of the BMO Financial Group and serves on the Rideau Hall Foundation Board of Directors. In addition to her business leadership, Ms. Southern has long played a leading role in advocating on social issues of global importance - most notably, the rights of Indigenous peoples and the role of women in business. She is an Honorary Chief of the Kainai (Blood Tribe of Alberta) who bestowed the name Aksistoowa'paakii, or Brave Woman, upon her in 2012.

Ms. Southern is a member of the American Society of Corporate Executives, a Canadian Member of the Trilateral Commission, and is a member of the Business Council of Canada. Ms. Southern was honoured with the King Charles III Coronation Medal in 2025. In 2024, she was honoured as a member of the Alberta Order of Excellence, and was granted the Patriot Award from Canada's True Patriot Love Foundation. In 2023, she was named Energy Person of the Year by the Energy Council of Canada, and accorded the Lifetime Business Achievement in the Americas Award from the Canadian Council for the Americas. In 2022, the Canadian Chamber of Commerce honoured her with the Canadian Business Leader Lifetime Achievement Award, and she was awarded Her Majesty Queen Elizabeth II's Platinum Jubilee Medal.



LINDA A. SOUTHERN-HEATHCOTT ⁽⁴⁾

Primary residence Calgary, Alberta, Canada

Director since 2000

Not Independent Ms. Southern-Heathcott is not independent because she has a material relationship with CU. She is an immediate family member of the Executive Chair.

Ms. Southern-Heathcott is Chair, President & Chief Executive Officer of Spruce Meadows Ltd., an internationally recognized equestrian facility in Calgary, Alberta. She is also a founding director and serves as Executive Chair of AKITA Drilling Ltd., an oil and gas drilling contractor with drilling operations throughout North America. Ms. Southern-Heathcott brings significant management and business experience to the Board and was appointed Vice Chair of the Board of Directors of Canadian Utilities and CU Inc. in 2017 and of ATCO Ltd. in 2016.

Ms. Southern-Heathcott is also Chair of Travel Alberta and serves on the Boards of ATCO Structures & Logistics Ltd. and Sentgraf Enterprises Ltd. She is a member of the National Cowboy & Western Heritage Museum (Oklahoma, US).

In 2010, Ms. Southern-Heathcott received her ICD.D certification from the Director Education Program of the Institute of Corporate Directors. In 2020, Ms. Southern-Heathcott was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British equestrian, military and commercial interests in Alberta, Canada. In 2022, she was awarded Her Majesty Queen Elizabeth II's Platinum Jubilee Medal (Alberta). In 2025, Ms. Southern-Heathcott was promoted to rank of Honorary Colonel of the King's Own Calgary Regiment and in the same year recognized with the King Charles III Coronation Medal. In 2026, Ms. Southern-Heathcott was presented with the Award of Honour, acknowledging decades of leadership, vision and unwavering dedication to the equestrian community and beyond.



ROGER J. URWIN, PhD, C.B.E. ^{(2) (3)}

Primary residence London, England

Director since 2020

Independent

Dr. Urwin is the Lead Director of Canadian Utilities, a director of ATCO Ltd., and Chair of the Board of Directors of ATCO Australia Pty Ltd. He has worked in gas, electric and telecom utilities throughout his career. He retired at the end of 2006 as Group Chief Executive of National Grid plc. He played a key role in establishing National Grid's international strategy and its successful expansion into the US, creating one of the largest investor-owned utility companies in the world. Dr. Urwin was the Managing Director and Chief Executive of London Electricity from 1990 to 1995. He was non-executive Chairman of Utilico Investments Limited until October 2015 and has been a special advisor to Global Infrastructure Partners, an international infrastructure investment fund. He was Chair of Alfred McAlpine plc from 2006 to 2008.

Dr. Urwin is a Commander of the Order of the British Empire.

Dr. Urwin has a Physics degree and a PhD from the University of Southampton, UK.



JENNIFER A. WESTACOTT, AC ⁽³⁾

Primary residence Sydney, Australia

Director since 2025

Independent

Ms. Westacott is a Director of ATCO Australia Pty Ltd. She is also a Special Advisor to KPMG. She was a Director of Wesfarmers Limited from 2013 to 2025. From 2011 to 2023 she was Chief Executive of the Business Council of Australia and prior to that, she was a board director and lead partner at KPMG, heading its Sustainability, Climate Change and Water practice, and its New South Wales State Government Practice where she advised major corporations on climate change and sustainability.

Ms. Westacott is Chancellor of Western Sydney University and an Adjunct Professor at the City Futures Research Centre of the University of New South Wales. She is Chair of the Western City & Aerotropolis Authority, Studio Schools of Australia and Future Generation Global. She is a board member of the Cyber Security Research Centre, a committee member of 2050 Point Parramatta, Patron of The Pinnacle Foundation and Co-Patron of Pride in Diversity and a member of the Governance Board for the Reserve Bank of Australia. Since 2019, she has been Chair of Bradfield Development Authority, responsible for developing the first new city in Australia in 100 years.

Ms. Westacott is a National Fellow of the Institute of Public Administration Australia and a Fellow of Australian Institute of Corporate Directors and the Australia and New Zealand School of Government. In 2018, she was awarded an Officer of the Order of Australia (AO) for her service to policy development and reform, cross sector collaboration, equity and business.

She holds a B.A. (Honours) from the University of New South Wales, Graduate Management Certificate from the Monash Mt Eliza Business School and was a Chevening Scholar at the London School of Economics.



WAYNE G. WOUTERS, PC, OC ⁽⁴⁾

Primary residence Vancouver, British Columbia, Canada

Director since 2019

Independent

Mr. Wouters is Chair of the Advisory Board of the government relations firm, Wellington Advocacy and Strategic and Policy Advisor to the Canadian law firm McCarthy Tétrault LLP. Prior to joining the private sector, Mr. Wouters had a distinguished 37-year career in the federal public service, including five years serving as the Clerk of the Privy Council of Canada. As Clerk, he held the roles of Deputy Minister to the Prime Minister, Secretary to the Cabinet and Head of Public Service. During his career, he has held the positions of Secretary of the Treasury Board, Deputy Minister of Human Resources and Skills Development, and Deputy Minister of Fisheries and Oceans.

Mr. Wouters has industry expertise in the oil and gas and natural resources, transportation, infrastructure, telecommunications, and security sectors. He was inducted by the Prime Minister as a Member of the Privy Council in 2014 and appointed an Officer of the Order of Canada in 2017.

Mr. Wouters graduated in Commerce (Honours) from the University of Saskatchewan and holds a M.A. in Economics from Queen's University. He holds several honorary degrees.

(1) All directors hold office until the close of the annual meeting of share owners of the Company or until their successors are elected or appointed.

(2) Member of the Corporate Governance - Nomination, Compensation and Succession Committee.

(3) Member of the Audit & Risk Committee.

(4) Member of the Pension Committee.

EXECUTIVE OFFICERS (IN ALPHABETICAL ORDER)

Name, Province and Country of Residence	Position Held and Principal Occupation
James D. Armstrong Alberta, Canada	Senior Vice President, Technology & Global Security
Mark Brown Alberta, Canada	Chief Operating Officer, ATCO EnPower
Kyle M. Brunner Alberta, Canada	Senior Vice President, General Counsel & Corporate Secretary
M. George Constantinescu ⁽¹⁾ Alberta, Canada	Executive Vice President & Chief Transformation Officer
P. Derek Cook Alberta, Canada	Senior Vice President & Controller
Lisa Cooke Alberta, Canada	Senior Vice President & Chief Marketing Officer
Colin R. Jackson Alberta, Canada	Senior Vice President, Financial Operations
Robert J. Myles Alberta, Canada	Chief Executive Officer
Wayne O'Connor Alberta, Canada	Executive Vice President & Chief Regulatory Officer
Katherine-Jane Patrick Alberta, Canada	Executive Vice President, Chief Financial & Investment Officer
Rebecca A. Penrice Alberta, Canada	Executive Vice President, Chief Administration Officer
D. Jason Sharpe Alberta, Canada	Chief Operating Officer, ATCO Energy Systems
Nancy C. Southern Alberta, Canada	Executive Chair

(1) M. George Constantinescu retired effective January 2, 2026.

POSITIONS HELD BY EXECUTIVE OFFICERS WITHIN THE PRECEDING FIVE YEARS

All of the executive officers have been engaged for the last five years in the indicated principal occupations, or in other capacities with the companies or firms referred to, or with their affiliates or predecessors, except for Mr. Armstrong, Mr. Brown, Mr. Brunner, Ms. Cooke and Mr. O'Connor:

- Mr. Armstrong was appointed Senior Vice President, Corporate Security in April 2023, and was later promoted to Senior Vice President, Technology & Global Security in May 2023. Prior to joining the Company, he was Chief Security and Chief Data Officer for Shaw Communications from January 2018 to April 2023.
- Mr. Brown was appointed Senior Vice President, Engineering, Construction, Operations, ATCO Power in 2023. He was appointed Executive Vice President, Projects and Operations, ATCO EnPower in 2024 and was later promoted to Chief Operating Officer, ATCO EnPower in July 2025. Prior to joining the Company, he was Vice President and General Manager, Canada for Fluor Canada from 2017 to 2023. Mr. Brown was with Fluor Canada for more than twenty years.

- Mr. Brunner was appointed as Vice President, Corporate Secretary in September 2021 and was later promoted to Senior Vice President, General Counsel & Corporate Secretary in November 2022. Prior to joining the Company, he was Vice President, General Counsel & Corporate Secretary at Seven Generations Energy Ltd. Mr. Brunner was with Seven Generations from February 2015 to April 2021.
- Ms. Cooke joined the Company as Senior Vice President, Chief Marketing Officer in September 2022. Prior to joining the Company, she was employed at Shaw Communications / Freedom Mobile from 2017 to 2022, where her most recent position was that of Vice President, Brand, Advertising & Marketing.
- Mr. O'Connor joined the Company as Executive Vice President & Chief Regulatory Officer in May 2025. Prior to joining the Company, he was President and Chief Executive Officer at Creative Energy from July 2022 to 2025 and was President and Chief Executive Officer at ENMAX Corporation from 2020 through 2021.

DIRECTORS' AND EXECUTIVE OFFICERS' INTEREST IN THE COMPANY

ATCO, Sentgraf and the MES Spousal Trust collectively hold 66,598,854 (100 per cent) of the issued and outstanding Class B shares. The directors and executive officers of the Company, as a group, do not beneficially own, or control or direct, directly or indirectly (via corporate holdings or otherwise), any of the issued and outstanding Class B shares of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As at February 24, 2026, there were 66,598,854 Class B shares outstanding. To the knowledge of the directors and executive officers of the Company, the only person who beneficially owns, controls or directs, either directly or indirectly, 10 per cent or more of the Class B shares is ATCO.

ATCO owns 66,309,246 Class B shares representing approximately 99.6 per cent of the outstanding Class B shares. ATCO is controlled by Sentgraf which in turn is controlled by the Sentgraf Spousal Trust (the Spousal Trust). Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust.

On December 15, 2023, the Company completed the Arrangement. Under the terms of the Arrangement, each Class B share held by a Non-Controlling Holder was exchanged for 1.1 Class A shares of the Company. Following completion of the Arrangement, the only remaining holders of Class B shares were ATCO, Sentgraf and the MES Spousal Trust, and the Class B shares were delisted from the TSX on December 19, 2023.

Except as set forth in the paragraph above, no director or executive officer of the Company, person or company that beneficially owns, or controls or directs, directly or indirectly, greater than 10 per cent of the Company's Class B shares, nor any associate or affiliate of the foregoing, has, or has had, any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES OR SANCTIONS

Corporate Cease Trade Orders

No director or executive officer of the Company is, as at the date of this AIF, or has been, within the past 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Canadian Utilities) that:

- was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued while the proposed director was acting in that capacity; or
- was subject to an event that resulted, after the person ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to an exemption under securities legislation for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity.

Corporate Bankruptcies

Except as otherwise disclosed below, no director, executive officer or controlling security holder of the Company is, as at the date of this AIF, or has been, within 10 years before the date hereof, a director or executive officer of any company (including Canadian Utilities) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that

capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Ms. Nancy C. Southern was, until her resignation on August 24, 2020, a director and President of Swizzlesticks Enterprises Ltd., a private Alberta corporation operating a salon and spa in Calgary, Alberta, which on August 24, 2020, commenced proposal proceedings pursuant to the *Bankruptcy and Insolvency Act* (Canada) by filing a notice of intention to make a proposal. The corporation was declared bankrupt and a trustee was appointed on August 25, 2020. An application for the discharge of the trustee was approved on December 14, 2021.

Ms. Penrice served as Executive Vice President & Chief Operating Officer of Sears Canada Inc. (Sears) when, on June 22, 2017, Sears announced that it and certain of its subsidiaries (Sears Group) had been granted an order from the Ontario Superior Court of Justice (Commercial List) (the Court) that, among other things, granted the Sears Group protection from their creditors under the *Companies' Creditors Arrangement Act* (Canada). On June 29, 2017, Sears received notice that the Continued Listings Committee of the TSX had determined to delist Sears' common shares effective at the close of market on July 28, 2017. Sears did not appeal the decision. On October 16, 2017, Sears announced that it had received approval from the Court to proceed with a liquidation of all of its inventory and furniture, fixtures and equipment located at its remaining stores.

Dr. Matthias Bichsel was, until his resignation on November 28, 2025, a member of the Board of Directors of Petrofac Ltd. (Petrofac), a UK energy services company. On October 27, 2025, the Board of Directors of Petrofac applied to the High Court of England and Wales to appoint administrators to Petrofac, a form of insolvency/bankruptcy protection. Administrators were appointed on October 28, 2025, and on the same day, Petrofac's shares were delisted from the London Stock Exchange.

Personal Bankruptcies

No director, executive officer or controlling security holder of the Company has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Penalties or Sanctions

No current director, executive officer or controlling security holder of the Company has:

- i. been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- ii. been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Circumstances may arise where members of the Board serve as directors or officers of corporations which are in competition to the interests of the Company. No assurances can be given that opportunities identified by any such member of the Board will be provided to the Company. However, the Company's procedures provide that each director and executive officer must comply with the disclosure requirements of the *Canada Business Corporations Act* regarding any material interest. If a declaration of material interest is made, the declaring director shall not vote on the matter if put to a vote of the Board. In addition, the declaring director and executive officer may be requested to recuse himself or herself from the meeting when such matter is being discussed.

TRANSFER AGENT AND REGISTRAR

Odyssey Trust Company is the transfer agent and registrar for the Class A shares and Class B shares, the Cumulative Redeemable Second Preferred Shares Series Y, AA, BB, CC, DD, EE, and the Cumulative Redeemable Second Preferred Shares Series HH and JJ. Its principal offices are in Calgary, Vancouver, and Toronto.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is party to a number of claims, disputes, lawsuits, and other matters. The Company believes that the ultimate liability arising from these matters will have no material impact on the consolidated financial statements of the Company. In addition, there have been no penalties or sanctions for the year ended December 31, 2025, imposed against the Company by a court, nor any settlement agreements entered into by the Company before a court, relating to securities legislation or with a securities regulatory authority. Additionally, there are no other known penalties or sanctions imposed by a court or regulatory body against the Company that would likely impact an investor in making an investment decision.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business (unless otherwise required by applicable securities requirements to be disclosed), there were no material contracts entered into by the Company or its subsidiaries during the most recently completed financial year, or before the most recently completed financial year that are still in effect.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP (PwC) has prepared the auditor's report for the Company's 2025 Consolidated Financial Statements. PwC is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this AIF includes, but is not limited to, references to: the Company's strategic plans; the Company's \$12 billion five-year regulated utility capital plan (2026-2030); other utility capital spending that is expected to proceed during the five-year forecast period associated with customer growth, system reliability and safety, climate and technology, and other program and system investments; expectations that non-regulated energy projects will drive growth beyond the regulated utility forecast; the Company pursuing other greenfield, brownfield and M&A opportunities aligned with our non-regulated strategic pillars of storage, power generation and cleaner fuels; economic drivers in Alberta being fundamental to our growth; expected growth, expansion and diversification opportunities; emissions reduction efforts and initiatives; the expected timing of commencement, completion or commercial operations of activities, contracts and projects; the expected term or expiry of contracts; the impact or benefits of contracts, including economic and other benefits for the Company and its partners and counterparties; the payment of dividends and expected dividend growth; the size, storage, generation or transmission capacity expected from assets and projects; the anticipated size, specifications and incremental natural gas delivery capacity of Yellowhead, the anticipated capital spend on Yellowhead, and the number of regulatory applications and expected timing for commencement of construction and bringing Yellowhead on-stream; the integrated relationship between NGTL and ATCO Energy Systems' natural gas transmission supporting growth in Alberta through a coordinated, province-wide transmission system; ATCO EnPower prioritizing growth in dispatchable and flexible forms of generation, its focus on opportunities that enhance system stability, and its continued assessment of opportunities that may complement its generation portfolio; expectations regarding the Atlas Carbon Storage Hub, including the timing of commercial operations, the anticipated benefits of the project, the storage of industrial emissions, including from Shell's Polaris carbon capture project, with future expansions subject to additional investment decisions; impairments related to ATCO EnPower's Alberta renewable energy portfolio caused by changes and anticipated future negative impacts arising from regulatory reforms; expectations around demand in Australian electricity markets; Australia's developing regulations, government emissions reduction targets and associated investment incentives presenting ATCO Australia with opportunities it is well positioned to pursue; ATCO Gas Australia's intention to phase

out the AGDS network commencing and the anticipated timeline for doing so; ATCO Australia's continued support of hydrogen development; expectations regarding CETO, including the anticipated size, capacity and benefits of the project, the anticipated timing for energization of the project, and the anticipated total investment in the project; the Company's consideration of a future NCIB renewal, subject to Board and TSX approval; the expected impact of new legislation; and the expected timing and impact of policy and regulatory decisions and new policy and regulatory announcements.

Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated in such forward-looking information. The forward-looking information reflects the Company's beliefs and assumptions with respect to, among other things: the Yellowhead and CETO projects underpinning the Company's \$12 billion five-year regulated utility capital plan (2026-2030); the Company's other utility capital spending during the five-year forecast period being associated with customer growth, system reliability and safety, climate and technology, and program and system investments; the Atlas Carbon Sequestration Hub and natural gas expansion at Carbon and Alberta Hub projects supporting non-regulated growth; the approval of capital expenditures; regulatory approvals to allow for the recovery of prudently incurred capital expenditures and to earn a fair return on investment; certain other regulatory applications being made and approved; the applicability and stability of legal and regulatory requirements in the jurisdictions in which we invest and/or operate; the payment of fees owing pursuant to applicable contracts; the growth of energy demand; inflation; the development and performance of technology and technological innovations and the ability to otherwise access and implement all technology necessary to achieve business objectives; continuing collaboration with certain business partners and engagement with new business partners, and regulatory and environmental groups; the performance of assets and equipment; demand levels for oil, natural gas, gasoline, diesel and other energy sources; certain levels of future energy use; future production rates; future revenue and earnings; the ability to meet current project schedules, and complete proposed development projects at currently estimated budgets; the availability of financing sources on acceptable terms; and other assumptions inherent in management's expectations in respect of the forward-looking information identified herein.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of, among other things: risks inherent in the performance of assets; capital efficiencies and cost savings; applicable laws and regulations and the interpretation and manner of enforcement of such laws and regulations; changes to government policies; regulatory decisions; competitive factors in the industries in which the Company operates; evolving market or economic conditions; credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, infrastructure, and future demand for resources; the development and execution of projects, including development projects not proceeding on schedule or at all, or at currently estimated budgets; the availability of financing sources for development projects on acceptable terms; prices of electricity, natural gas, natural gas liquids, and renewable energy; the development and performance of technology and new energy efficient products, services, and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture, and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets; potential cancellation, termination, default, non-compliance, or breach of contract by contract counterparties; the risk that payments owed may not be collected or received in a timely manner, or at all; risks associated with potential litigation proceedings; potential damage to our brand and/or reputation that may result from a failure to perform, or from factors outside of our control, or negative publicity related to significant projects, investments, operations or activities; the risk of operational disruptions, outages, or force majeure events; the occurrence of unexpected events such as fires, extreme weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; global pandemics; the imposition of or changes to existing customs duties, tariffs or other trade restrictions; geopolitical tensions and wars; risks associated with operating in international jurisdictions; and other risk factors, many of which are beyond the control of the Company. Due to the interdependencies and correlation of these factors, the impact of any one material assumption or risk on a forward-looking statement cannot be determined with certainty. Readers are cautioned that the foregoing lists are not exhaustive. For additional information about the principal risks that the Company faces, see the "Business Risks and Risk Management" section in the MD&A.

This AIF may contain information that constitutes future-oriented financial information or financial outlook information, all of which are subject to the same assumptions, risk factors, limitations and qualifications set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on such future-oriented financial

information or financial outlook information. The Company's actual results, performance and achievements could differ materially from those expressed in, or implied by, such future-oriented financial information or financial outlook information. The Company has included such information in order to provide readers with a more complete perspective on its future operations and its current expectations relating to its future performance. Such information may not be appropriate for other purposes and readers are cautioned that such information should not be used for purposes other than those for which it has been disclosed herein. Future-oriented financial information or financial outlook information contained herein was made as of the date of this AIF.

Any forward-looking information contained in this AIF represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.

Additional information, including directors' and named executives officers' remuneration, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, is contained in the Company's most recent Management Proxy Circular dated March 7, 2025.

Additional financial information is provided in the Company's audited 2025 Consolidated Financial Statements and MD&A for the financial year ended December 31, 2025. Corporate information is also available on the Company's website: www.canadianutilities.com.

Information relating to ATCO or CU Inc. may be obtained on request from Investor Relations at 3rd Floor, West Building, 5302 Forand Street SW, Calgary, Alberta, T3E 8B4, or by telephone (403) 292-7500.

GLOSSARY

2025 Consolidated Financial Statements means Canadian Utilities Limited's Consolidated Financial Statements for the year ended December 31, 2025.

Access Arrangement (AA) means the agreement between ATCO Gas Australia and the Economic Regulatory Authority that outlines the terms and conditions of accessing the gas network of Western Australia. It outlines the services provided, revenue and policies under which the network operator, ATCO Gas Australia, functions. Access Arrangement 6 (AA6) refers to the AA covering the period January 1, 2025 to December 31, 2029.

AESO means Alberta Electric System Operator.

Alberta Utilities means Electricity Distribution, Electricity Transmission, Natural Gas Distribution and Natural Gas Transmission, and their related subsidiaries.

APL means Alberta PowerLine.

AUC means the Alberta Utilities Commission.

Class A shares means Class A non-voting common shares of the Company.

Class B shares means Class B common shares of the Company.

Company means Canadian Utilities Limited and, unless the context otherwise requires, includes its subsidiaries and joint arrangements.

DRIP means Dividend Reinvestment Plan.

ESG means Environmental, Social and Governance.

Gigawatt hour (GWh) is a measure of electricity consumption equal to the use of 1 billion watts of power over a one-hour period.

IFRS means International Financial Reporting Standards.

MD&A means the Company's Management's Discussion and Analysis for the year ended December 31, 2025.

Megawatt (MW) is a measure of electric power equal to 1,000,000 watts.

Merchant means uncontracted generating plant capacity that is offered into the spot electricity market in which the generating plant is located.

NGL means natural gas liquids, such as ethane, propane, butane and pentanes plus, that are extracted from natural gas and sold as distinct products or as a mix.

Petajoule (PJ) is a unit of energy equal to approximately 948.2 billion British thermal units.

PPA means Power Purchase Agreement.

REA means Rural Electrification Association. REAs are constituted under the *Rural Utilities Act* (Alberta) by groups of persons carrying on farming operations. Each REA purchases electric power for distribution to its members through a distribution system owned by that REA.

Regulated Utilities means Electricity Distribution, Electricity Transmission, Natural Gas Distribution, Natural Gas Transmission, ATCO Gas Australia and their related subsidiaries.

ROE means Return on Equity.

SEDAR+ means The System for Electronic Document Analysis and Retrieval+.

USD means United States dollars.

APPENDIX 1:

AUDIT & RISK COMMITTEE INFORMATION

AUDIT & RISK COMMITTEE MANDATE

PURPOSE

The Audit & Risk Committee (the Committee) of Canadian Utilities Limited (the Corporation) is responsible for contributing to the effective stewardship of the Corporation by assisting the Board of Directors of the Corporation (Board) in fulfilling its oversight of:

- The integrity of the Corporation's financial statements.
- The Corporation's compliance with laws and regulations including applicable legal and regulatory commitments.
- The independence, qualifications and appointment of the Corporation's external auditor and Chief Audit Executive.
- The performance of the Corporation's internal audit function and external auditor.
- The accounting and financial reporting processes of the Corporation.
- Audits of the financial statements of the Corporation.
- The risk management processes of the Corporation.

AUTHORITY

The Committee is empowered to:

- Determine the public accounting firm to be recommended to the Board for appointment as external auditors, and be directly responsible for the compensation and oversight of the work of the external auditors. The external auditors will report directly to the Committee.
- Pre-approve all auditing and permitted non-audit services performed by the Corporation's external auditors.
- Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Committee, and to communicate directly with the internal and external auditors.
- Inspect all the books and records of the Corporation and its subsidiary entities and to discuss such books and records in any manner relating to the financial position and/or risk related issues of the Corporation and its subsidiary entities with the officers, employees and internal and external auditors of the Corporation and its subsidiary entities. All employees are directed to cooperate with the Committee's requests.
- Meet with the Corporation's officers, external auditors or outside counsel, as necessary.
- Delegate authority, to the extent permitted by applicable legislation and regulation, to one or more designated members of the Committee, including the authority to pre-approve all auditing and permitted non-audit services provided by the Corporation's external auditor.

COMPOSITION

The Board shall elect annually from among its members an Audit & Risk Committee comprised of not less than three directors. Each member of the Committee must be:

- a director of the Corporation;
- independent (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110); and
- financially literate (within the meaning of section 1.6 of National Instrument 52-110).

In order to be considered to be independent for the purposes of membership on the Committee, a director must have been determined by the Board to have no direct or indirect material relationship with the Corporation and must satisfy all other applicable legal and regulatory requirements.

The Board will appoint one member of the Committee as Chair. Any member of the Committee may be removed or replaced at any time by the Board, and a member shall cease to be a member of the Committee upon ceasing to be a director of the Corporation or upon ceasing to be independent.

MEETINGS

The Committee shall meet at least four times per year and whenever deemed necessary by the Chair of the Committee or at the request of a Committee member or the Corporation's external or internal auditor. Matters related specifically to Risk Management as described under "DUTIES AND RESPONSIBILITIES" will be on the agenda for two of the Committee meetings each year.

- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- Reasonable notification of meetings, which may be held in person, by telephone or other communication device, shall be sent to the members of the Committee, the external auditor and any additional attendees as determined by the Chair of the Committee.
- The external auditor has the right to appear before and be heard at any meeting of the Committee.
- Meetings will be scheduled to permit timely review of Committee materials.
- A majority of the Committee will constitute a quorum.
- Minutes of each meeting will be prepared by the person designated by the Committee to act as secretary and will be kept by the Corporate Governance & Secretarial Department.

DUTIES AND RESPONSIBILITIES

Public Reporting

- Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:
 - complex or unusual transactions and highly judgmental areas;
 - major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles; and
 - the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.
- Review analyses prepared by management and/or the external auditors, setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of new or revised IFRS methods on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the Corporation's annual and interim financial statements, MD&A, earnings press releases, AIF, and Sustainability Reports before the Corporation publicly discloses this information.
- Review reports prepared by Designated Audit Directors and directors appointed to corporate entities including joint ventures or partnerships (which do not have an appointed Designated Audit Director) regarding any significant items pertaining to year-end financial disclosure documents.
- Recommend to the Board the approval of the Corporation's interim financial statements, interim MD&A and interim earnings press releases, or if delegated by the Board, approve the interim financial statements, interim MD&A and interim earnings press releases before the Corporation publicly discloses this information.
- Recommend to the Board the approval of the Corporation's annual financial statements, AIF and annual MD&A.
- Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.

- Be satisfied that the Corporation has implemented appropriate systems of internal control over financial reporting and that these systems are operating effectively.

External Auditor

- Recommend to the Board:
 - the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation; and
 - the compensation of the external auditor.
- Be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the external auditor of the Corporation (Non-audit Services). The Committee may delegate to one or more of its members the authority to pre-approve Non-audit Services. All Non-audit Services provided by the external auditor shall be summarized and reported to the Audit & Risk Committee on a cumulative basis for the year at each quarterly meeting.
- The Committee shall adopt and periodically review practices and procedures for the engagement of Non-audit Services that are detailed as to the particular service, that do not include delegation of the Committee's responsibilities to management, and that are designed to manage the pre-approval process and comply with all applicable legal and regulatory requirements.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

Internal Auditor

- Review and approve the annual Audit Plan.
- Review and approve Internal Audit's annual budget and resource plan.
- Review and approve the Internal Audit Mandate.
- Receive communications from the Chief Audit Executive and Senior Vice President, Financial Operations on Internal Audit's activities and other matters and gain an understanding of the effectiveness of the organization's governance, risk management, and control processes to prioritize matters of importance.
- Make appropriate inquiries of management and the Chief Audit Executive and Senior Vice President, Financial Operations, to determine whether there are inappropriate scope or resource limitations.
- Review results of the Internal Audit Quality Assurance Review (QAR) performed approximately every five years and ensure appropriate action plans are in place.

Risk Management

- Understand the principal risks of the Corporation:
 - review and consider with management the Corporation's risk appetite;
 - review and discuss with management the Corporation's risk inventory focusing on significant risks and related mitigation plans;
 - periodically receive presentations, reports and other information about extraordinary risks, emerging risks and significant trends that could materially affect the Corporation's ability to achieve its strategic objectives, including those related to sustainability and environmental, social and governance (ESG) matters;
 - review reports prepared by Designated Audit Directors and directors appointed to corporate entities including joint ventures or partnerships (which do not have an appointed Designated Audit Director) regarding any significant risks identified by management.
- Be satisfied that management has appropriate processes in place to identify, assess, manage and monitor risk.
- Review the Corporation's insurance programs for adequacy annually.

Other

- Ensure that the Corporation has appropriate procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- Provide a means for confidential and anonymous submission by employees of the Corporation of concerns regarding accounting or auditing matters.
- Review and reassess annually the adequacy of this mandate and recommend any proposed changes to the Board for approval.
- Review and approve annually the Disclosure Committee, Designated Audit Directors, Internal Audit and Crisis Management Committee mandates.
- The Committee will inquire into any other matters referred to it by the Board.

Reporting

The Committee shall report to the Board on such matters and questions relating to the financial position or risk management of the Corporation as the Board may from time to time refer to the Committee. A summary of all meetings will be provided to the Board by the Chair of the Committee. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request. The external auditor and the Chief Audit Executive and Senior Vice President, Financial Operations of the Corporation shall report directly to the Committee. The Committee is expected to maintain free and open communication with the Corporation's external auditor, internal auditor and management. This communication shall include private sessions, at least annually, with each of these parties.

COMPOSITION AND RELEVANT EDUCATION AND EXPERIENCE OF THE AUDIT & RISK COMMITTEE

The following are the members of the Corporation's Audit & Risk Committee, all of whom are independent and financially literate:

- M.F. Bichsel, PhD - Dr. Bichsel brings extensive governance experience with a strong focus on audit and risk oversight. As a non-executive director of Canadian Utilities and former Vice Chairman at Sulzer and Non-Executive Director of other public and private company boards (including as member of audit committees), he has actively contributed to audit and risk oversight of financial integrity and compliance. His responsibilities have included review of financial statements, monitoring quarterly and annual reporting processes, and overseeing adherence to IFRS and other regulatory frameworks. Dr. Bichsel has worked closely with external auditors to assess audit quality, evaluate internal control over financial reporting, and effective risk mitigation strategies. With over three decades at Royal Dutch Shell where he served on the Executive Committee, Dr. Bichsel managed global capital projects and technology portfolios, requiring financial planning, cost control, and risk assessment for multibillion-dollar investments.
- L.M. Charlton (Chair) - Prior to her retirement in November 2022, Ms. Charlton was Vice President & Chief Financial Officer at Lintus Resources Limited. For over three decades, she was responsible for the financial reporting process of various Oil & Gas corporations. She serves on the Audit Committees of three publicly traded corporations and is Audit Chair for one. Ms. Charlton has a Bachelor of Commerce degree in Finance, holds the Corporate Director Designation (ICD.D) from the Institute of Corporate Directors, and participates in ongoing financial and accounting continuing education.
- R.J. Hanf, K.C. - For almost twenty years prior to his retirement in 2021, Mr. Hanf served as an executive leader with Emera Inc., an electric utility company in Nova Scotia, Canada serving millions of customers in Canada, the United States and the Caribbean, where he was responsible for Stakeholder Relations and Regulatory Affairs, both of which require financial literacy. As a Board member of Mancal Corporation, he is Chair of the Transactions Committee and is a member of the Human Resources and Compensation Committee. He was past Chair of the Board of Governors at Dalhousie University where he was an ex-officio member of all Committees. Mr. Hanf was previously President and Chief Executive Officer of Nova Scotia Power Inc., Executive Chairman of Barbados Light & Power Holdings Ltd., and President and Chief Operating Officer of Bangor Hydro Electric Company, where he was responsible for the overall financial reporting and compliance of these companies. He is also a graduate from the Director Education Program at the Institute of Corporate Directors where he obtained extensive enterprise risk and financial literacy knowledge.

- J.A. Westacott AC - Ms. Westacott brings over three decades of leadership across public and private sectors, with significant expertise in governance, audit, and risk oversight. As Chancellor of Western Sydney University (Australia) since 2023, she has been overseeing the institution's fiscal health, making strategic financial decisions and ensuring the university's long-term stability and competitiveness, managing budgets, allocating resources, and making financial decisions. From 2005 to 2011, Ms. Westacott served as a senior partner at KPMG, where she advised major corporations and governments on sustainability, climate change, and large-scale reform—areas deeply tied to risk management. Since 2024, she has been Special Advisor at KPMG. Her tenure as Chief Executive of the Business Council of Australia (2011–2023) involved shaping corporate governance frameworks and policy reforms impacting national business risk profiles. In addition to Canadian Utilities, holding non-executive roles on boards such as Wesfarmers Limited (until October 2025) and the Reserve Bank of Australia's Governance Board, she contributes to audit and risk committees' compliance and strategic risk oversight. She has Fellowships with the Australian Institute of Company Directors and the Institute of Public Administration, reinforcing her authority in governance and risk management and she is a Business Champion to Indonesia for the Department of Foreign Affairs and Trade (Australia).
- R.J. Urwin, PhD, C.B.E. - Dr. Urwin has governance and risk oversight experience through board roles and executive leadership in the utilities and infrastructure sectors. He is a director of ATCO Ltd., Lead Director of Canadian Utilities Limited, and Chair of ATCO Australia Pty Ltd. Dr. Urwin previously served as Group Chief Executive of National Grid plc, where he oversaw international strategy and expansion into the U.S., creating one of the largest investor-owned utility companies globally. His responsibilities included financial reporting, risk management, and compliance within regulated energy markets. He also chaired Alfred McAlpine plc and was non-executive Chairman of Utilico Investments Limited, providing oversight of investment and financial governance. Dr. Urwin holds a PhD in Physics from the University of Southampton and has experience in managing complex financial structures and risk frameworks throughout his career.

PRE-APPROVAL PROCEDURES

The Corporation's Audit & Risk Committee has adopted a procedure for approval of external auditor services. The procedure prohibits the external auditor from providing specified services to the Corporation and its subsidiaries.

The engagement of the external auditor for a range of services defined in the procedure has been pre-approved by the Audit & Risk Committee. If an engagement of the external auditor is contemplated for a particular service that is neither prohibited nor covered under the range of pre-approved services, such engagement must be pre-approved. The Audit & Risk Committee has delegated the authority to grant such pre-approval to the Chairman of the Audit & Risk Committee.

Services provided by the external auditor are subject to an engagement letter. The procedure mandates that the Audit & Risk Committee receive regular reports of all new pre-approved engagements of the external auditor.

EXTERNAL AUDITOR SERVICE FEES

The aggregate fees incurred by the Corporation and its subsidiaries for professional services provided by PwC for each of the past two years were as follows:

(\$ Millions)	2025	2024
Audit fees ⁽¹⁾	4.6	4.7
Audit-related fees ⁽²⁾	0.1	—
Information technology fees ⁽³⁾	2.4	—
Total	7.1	4.7

(1) Audit fees are the aggregate professional fees paid to the external auditor for the audit of the annual consolidated financial statements and other regulatory audits and filings.

(2) Audit related fees are the aggregate fees paid to the external auditor for services related to special purpose audits and audit services including consultations regarding IFRS.

(3) Includes aggregate fees paid to the external auditor for consulting services related to information technology. PwC was selected through a request for proposal process. Management and the Audit & Risk Committee concluded that these services provided by PwC were permitted services under applicable independence standards and the Corporation's procedures for the pre-approval of engagement for services of the external auditor. Appropriate safeguards were implemented by management and PwC to ensure independence was maintained.