

DISCLAIMER

Due to uncertainty surrounding the application of recent amendments to the Competition Act (Canada), the documents incorporated by reference herein are referenced for historical information purposes only and do not constitute active or current representations of Canadian Utilities Limited or any of its related parties. The purpose of these documents is to comply with disclosure requirements that were in effect on the date these documents were filed; Canadian Utilities undertakes no obligation to update such information except as required by applicable law. Canadian Utilities remains committed to taking steps to address climate change and continuing to engage in sustainability initiatives.



CANADIAN UTILITIES LIMITED

An **ATCO** Company



CANADIAN UTILITIES LIMITED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2024

February 26, 2025

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, 2024.

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

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

TABLE OF CONTENTS

| | Page |
|--|------|
| Corporate Structure | 2 |
| Shaping the Future: Canadian Utilities' Ambitions | 3 |
| Canadian Utilities' Strategy | 4 |
| Business Description | 5 |
| ATCO Energy Systems | 6 |
| ATCO EnPower | 12 |
| ATCO Australia | 17 |
| Corporate & Other | 20 |
| Three Year History | 20 |
| Revenue Summary | 20 |
| ATCO Energy Systems | 20 |
| ATCO EnPower | 22 |
| ATCO Australia | 23 |
| Corporate & Other | 23 |
| Employee Information | 24 |
| Environmental Protection | 25 |
| Sustainability, Climate Change and Energy Transition | 25 |
| Policy and Regulatory Updates | 26 |
| Business Risks and Risk Management | 26 |
| Intangibles | 26 |
| Dividends | 26 |
| Capital Structure | 27 |
| Credit Ratings | 30 |
| Market for Securities of the Company | 32 |
| Directors and Executive Officers | 34 |
| Transfer Agent and Registrar | 44 |
| Legal Proceedings and Regulatory Actions | 44 |
| Material Contracts | 44 |
| Interests of Experts | 44 |
| Forward-Looking Information | 44 |
| Additional Information | 46 |
| Glossary | 47 |
| Appendix 1: Audit & Risk Committee Information | 48 |

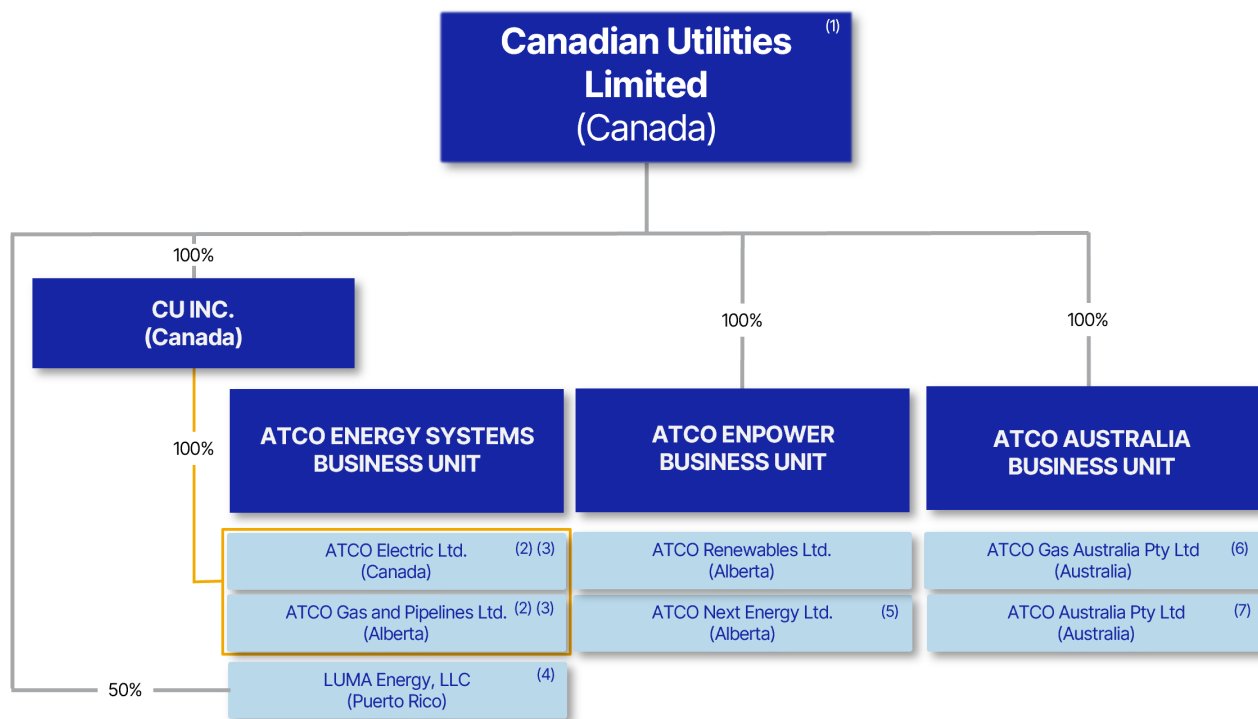
CORPORATE STRUCTURE

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, 2024.
- (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. (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, LLC (LUMA Energy), a company which is transforming, modernizing and operating Puerto Rico's 31,000-km electricity transmission and distribution system, is included in International Electricity Operations.
- (5) ATCO Next Energy Ltd. (ATCO Next Energy) includes Storage & Industrial Water and Cleaner Fuels.
- (6) 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.
- (7) 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 committed to a bold and extraordinary future for our companies, our customers, and our owners. We play a key role in supporting ATCO, our parent company, and together our companies are charting a course for the future with an ambitious set of objectives that build upon the long corporate history of bringing prosperity and opportunity to the communities we serve.

OUR STRATEGIC IMPERATIVES

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 premier, comprehensive and integrated solutions to meet their evolving needs and expand into new markets. Our strategic imperatives, as noted below, are supported by our unwavering commitment to financial strength, operational excellence, our customers, our people and the communities we are privileged to serve around the world.



Valuing a long-term outlook.



Building on our core utility businesses.



Taking a leadership role in the energy transition.



Advancing equitable partnerships with Indigenous communities.



Collaborating for the betterment of communities.



Supporting the talent and diversity of the Canadian Utilities team.

CANADIAN UTILITIES' STRATEGY

At the heart of Canadian Utilities' strategy is the desire to be a unified provider of energy, an essential service for our customers, allowing them to avoid the challenges of relying on a fragmented network of providers. Energy is one of life's essential services. Without safe, reliable, resilient and affordable access to energy, prosperity and opportunity cannot thrive. Essential services, like energy, are resilient to macroeconomic headwinds, geopolitical conflict and natural disasters and are a significant driver of economic growth. Our unique market position, the ability to leverage our expertise in key markets, including North America, Latin America, and Australia, our integrated capabilities, and exceptional customer care combine to create a competitive advantage that is difficult to replicate, and one that continues to deliver value to share owners through earnings and dividend growth.

ATCO, Canadian Utilities' parent company, is a globally-trusted brand, built on our foundation of excellence, which gives us an advantage as we look towards purpose-driven expansion or acquisition opportunities through each of our business units. We know that to continue to enable long-term prosperity, we need to evaluate different avenues for growth that allow us to stay ahead of the curve and remain competitive on a global stage.

Canadian Utilities has built a strong foundation for continued growth by building and protecting our core utility assets while investing in activities that serve the growing and evolving needs of our customers, aiming to advance the energy transition, and ensuring long-term resiliency. We are optimizing current assets, leveraging our expertise in key markets, including North America, Latin America, and Australia to drive growth across geographies. By consistently delivering reliable, safe, cleaner, and affordable energy for our customers, while pursuing potential growth opportunities, Canadian Utilities will continue to drive cash flows and earnings to improve financial strength and growth capacity.

Our businesses also continue to pursue diversification opportunities and/or expansion of product offerings through the evaluation of new technologies, non-traditional markets, and integrated services.

FURTHER COMMENTARY REGARDING STRATEGIES AND COMMITMENTS

Our financial and operational achievements in 2024 relative to the investment strategies outlined above are included in the Company's MD&A and the 2024 Consolidated Financial Statements. Further commentary regarding strategies will be provided in the forthcoming 2024 Management Proxy Circular, Business Profile, and Sustainability Report. The 2024 Management Proxy Circular will also contain a discussion of the Company's corporate governance practices.

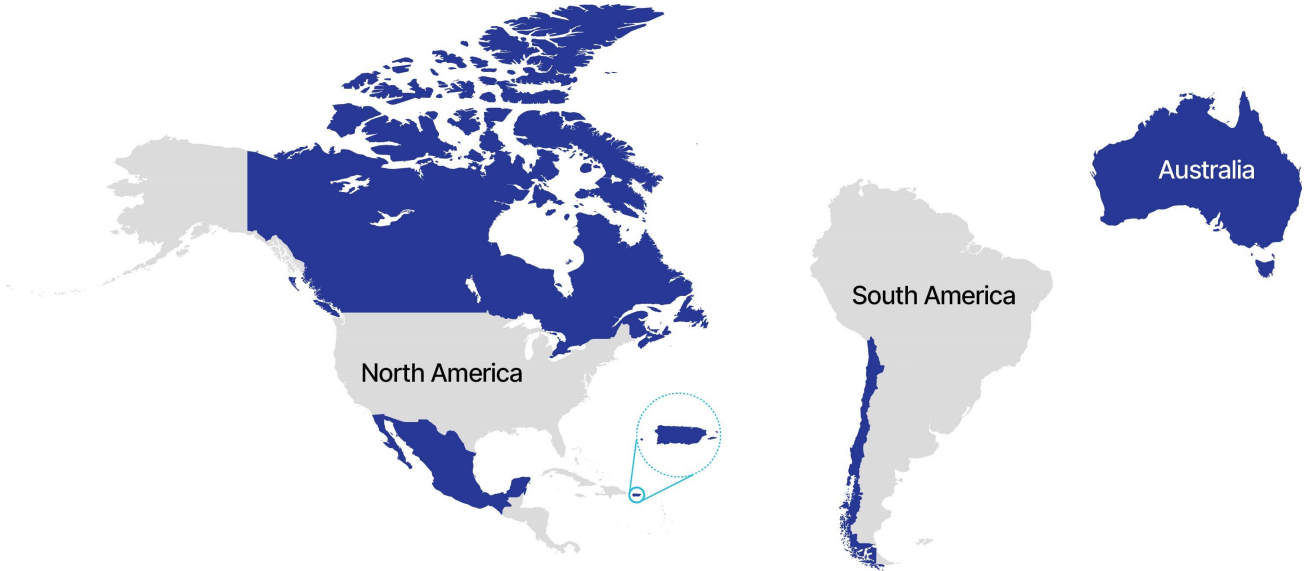
Canadian Utilities' website, www.canadianutilities.com, is a valuable source for the latest news of the Company's activities. Prior years' reports are also available on this website.

BUSINESS DESCRIPTION

PARTNERING AND INVESTING IN LIFE'S ESSENTIALS FOR A CHANGING WORLD

On a global scale, Canadian Utilities energizes homes, businesses, industries, and delivers customer-focused energy infrastructure solutions. Canadian Utilities is a company with a diverse, global portfolio of investments that delivers operational excellence and superior returns. Fueled by the unwavering dedication of approximately 4,900 employees and over 4,100 employees in joint ventures, including LUMA Energy, we are building on our core utility businesses and investing in activities aimed at advancing the energy transition and ensuring long-term resiliency.

CURRENT OPERATIONS



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).



4M+

Total Customers



\$24B

Total Assets



53

Years of Annual
Dividend Increases



**100+
YEARS**

Long History of Global
Operations



OVERVIEW

ATCO Energy Systems incorporates our regulated utilities businesses that operate in Canada and Puerto Rico, and certain non-regulated assets held within Alberta, Canada. The four regulated utilities (Electricity Transmission and Distribution, and Natural Gas Transmission and Distribution) in Alberta, Saskatchewan, and the northern regions of Canada have delivered reliable electricity and natural gas to customers for many decades. International Operations consists of the electricity operations business in Puerto Rico (Canadian Utilities' 50 per cent ownership in LUMA Energy).

ATCO Energy Systems' value proposition is delivering essential energy for an evolving world that requires more energy to provide quality of life to a growing population, advance economies and power industry. Our customers need resilient and reliable services that are balanced with sustainability and affordability. We safely deliver this reliable and affordable energy by actively leading and constructively participating in a responsible and equitable energy transition, 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 utility industry is evolving with an increasing focus on climate-adaptation, decarbonization, digitalization and decentralization in response to our customers' and other stakeholders' expectations. Evolving regulations and continued growth of both industry and residential customers in our service territories present ATCO Energy Systems with opportunities, which it is well positioned to pursue.

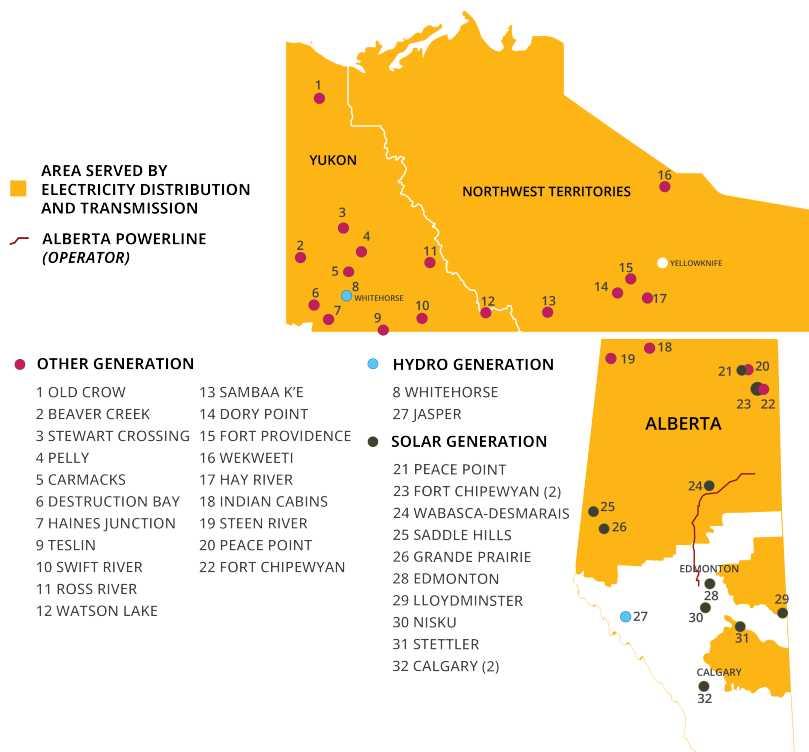
The majority of our assets are located in Alberta, Canada, where ATCO Energy Systems' utilities businesses are established and trusted with over 100 years of operations that have involved numerous regulatory and policy changes; this experience provides us an advantage over our peers in the jurisdictions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

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 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 (ATCO Electric Yukon (AEY)) serves 19 communities in the Yukon, including the capital city of Whitehorse, and one community in British Columbia. Northland Utilities Enterprises Ltd. (NUE) is a 50/50 partnership between a subsidiary of the Company and Denendeh Investments Incorporated, which represents the 27 Dene First Nations of the Northwest Territories. NUE has two operating subsidiaries: Northland Utilities (NWT) Limited (operating as Naka Power Utilities (NWT)) and Northland Utilities (Yellowknife) Limited (operating as Naka Power Utilities (Yellowknife)) (collectively, Naka Power Utilities). Naka Power Utilities serve nine communities in the Northwest Territories, including the capital city of Yellowknife.

Electricity Distribution and Transmission and its subsidiaries, AEY and NUE, provide service to approximately 265,000 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 NUE in 2024 and 2023 is shown below.

| | 2024 | | 2023 | |
|----------------------|----------------|------------|---------|-----|
| | Number | % | Number | % |
| Residential | 187,938 | 71 | 187,041 | 71 |
| Commercial | 35,274 | 13 | 35,155 | 13 |
| Industrial | 9,110 | 4 | 9,264 | 4 |
| Rural, REA and other | 32,439 | 12 | 32,420 | 12 |
| Total | 264,761 | 100 | 263,880 | 100 |

Electricity distributed to the various classes of customers in 2024 and 2023 is shown below.

| | 2024 | | 2023 | |
|----------------------|--------|-----|--------|-----|
| | GWh | % | GWh | % |
| Residential | 1,366 | 11 | 1,321 | 11 |
| Commercial | 2,318 | 19 | 2,297 | 19 |
| Industrial | 8,187 | 66 | 7,822 | 66 |
| Rural, REA and other | 525 | 4 | 511 | 4 |
| Total | 12,396 | 100 | 11,951 | 100 |

Electricity Distribution and Transmission, AEY, and NUE own and operate extensive electricity transmission and distribution systems. The systems consist of approximately 11,200-km of transmission lines and approximately 60,300-km of distribution lines. In addition, Electricity Distribution and Transmission deliver power to, and operate approximately 3,500-km of distribution lines owned by Rural Electrification Associations (REA).

Electricity Distribution and Transmission, AEY, and NUE 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 NUE, 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 (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 Scotford transmission line and substation, Muskeg River transmission line and substation, Grand Rapids substation, and Air Products transmission line.

ELECTRICITY GENERATION

Hydroelectric, Solar Generation and Diesel

Electricity Distribution and Transmission owns or operates 2 hydroelectric plants, 14 solar sites, and 20 diesel-generating plants and 6 mobile generating units, with an aggregate nameplate capacity of 48-MW in Alberta, the Yukon and Northwest Territories. Additionally, the Company has leased three mobile diesel units to supplement hydroelectrical power generation in the NWT regions which could potentially add 5-MW of generation. These amounts are not included in the 48-MW.

The hydroelectric assets include one facility in Whitehorse, Yukon, and one in Jasper, Alberta, that each generate 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 enable 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 25 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 Canadian Utilities and 50 per cent by Quanta Services, Inc. LUMA Energy operates approximately 31,000-km of transmission and distribution lines and has approximately 4,100 employees.

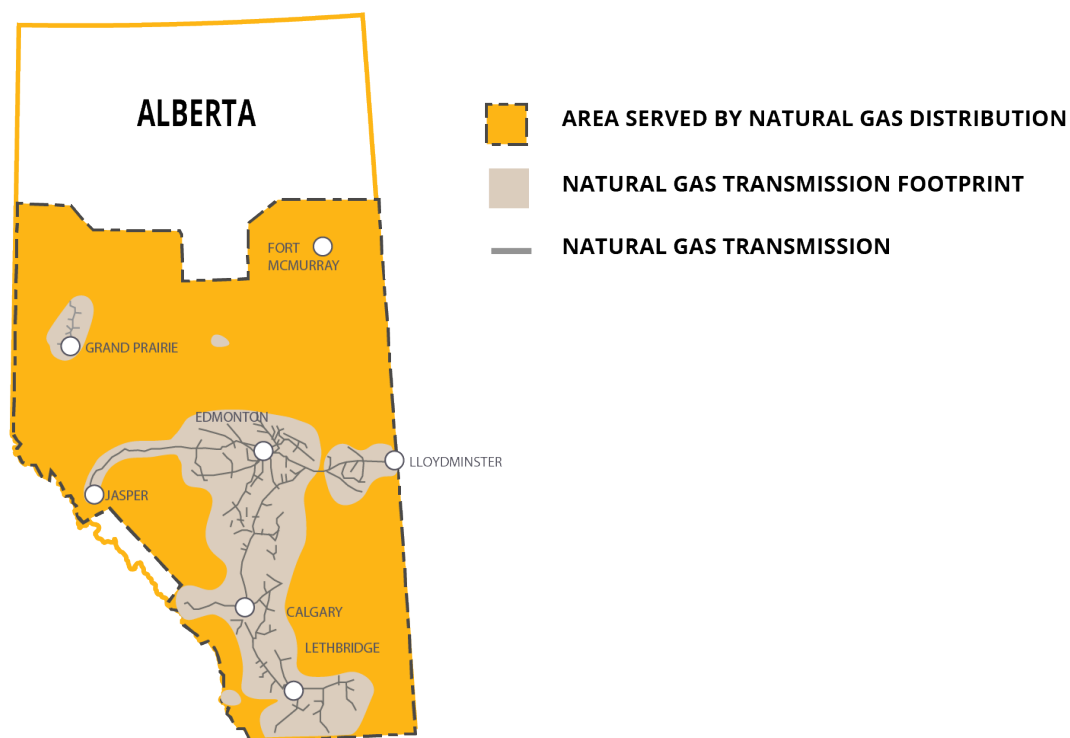
On June 22, 2020, LUMA Energy was selected by the Puerto Rico Public-Private Partnerships Authority (P3A) to transform, modernize and operate Puerto Rico's electricity transmission and distribution system over a term of 15 years after a one-year transition period as set out in the Operations and Maintenance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

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 and will continue until such time that PREPA's bankruptcy is resolved. Following the resolution of PREPA's bankruptcy proceeding, LUMA Energy will transition to year one of the Operations and Maintenance Agreement and will receive a fixed fee and the potential to receive additional incentive fees based on performance.

This innovative arrangement allows PREPA to retain ownership of all utility assets while benefiting from the expertise of a qualified operator. LUMA Energy combines Canadian Utilities' world-class utility operations and customer service expertise with Quanta's exceptional utility services and project execution capabilities.

NATURAL GAS DISTRIBUTION AND TRANSMISSION

The following map shows the areas served by Natural Gas Distribution and Natural Gas Transmission in Alberta.



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 were located in these 11 communities in 2024. The remaining customers are located in 291 smaller and rural communities.

The average monthly number of customers served by Natural Gas Distribution in 2024 and 2023 is shown below.

| | 2024 | | 2023 | |
|--------------|------------------|------------|-----------|-----|
| | Number | % | Number | % |
| Residential | 1,206,668 | 92 | 1,185,527 | 92 |
| Commercial | 104,913 | 8 | 103,833 | 8 |
| Industrial | 341 | — | 341 | — |
| Other | 697 | — | 711 | — |
| Total | 1,312,619 | 100 | 1,290,412 | 100 |

The quantity of natural gas distributed by Natural Gas Distribution in 2024 and 2023 is shown below.

| | 2024 | | 2023 | |
|--------------|--------------|------------|-------|-----|
| | PJ | % | PJ | % |
| Residential | 124.0 | 46 | 112.2 | 45 |
| Commercial | 130.3 | 48 | 123.1 | 49 |
| Industrial | 16.6 | 6 | 14.4 | 6 |
| Other | 0.2 | — | 0.3 | — |
| Total | 271.1 | 100 | 250.0 | 100 |

Natural Gas Distribution owns and operates approximately 42,000-km of distribution mains. It also owns service and maintenance facilities in major centres in Alberta.

Natural Gas Distribution delivers natural gas in incorporated communities under the authority of franchises or by-laws and in rural areas under approvals, permits or orders issued through applicable statutes. It currently has 169 gas distribution franchise agreements with municipalities throughout Alberta. A gas franchise agreement provides the Company the exclusive right to provide distribution service to the residents of the municipality, as well as the right to use the municipality's property for the construction, operation and extension of the utility. In return, the municipality receives the assurance that distribution utility service will be provided to its residents. 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.

The term of each franchise agreement is between 10 and 20 years, unless renewed by mutual agreement for up to 20 years. The 20-year renewal limit is stipulated by the *Municipal Government Act (MGA)*. When the term of a franchise agreement expires, the agreement remains in effect until renewed or until either party, with the approval of the prevailing regulatory authority, terminates it on six months' written notice. On termination, the municipality may purchase the facilities used in connection with that franchise at a price to be agreed on or, failing agreement, to be determined by the prevailing regulatory authority.

In Edmonton, distribution of natural gas is carried out under the authority of a 20-year franchise agreement that will expire on July 30, 2030.

In Calgary, the distribution of natural gas historically operated under a municipal by-law. The *Utilities Affordability Statutes Amendment Act, 2024* made changes to various statutes governing municipal franchise agreements in Alberta, including the MGA and the *Gas Utilities Act (GUA)*, including providing that all privileges and franchises previously granted by a municipality within Alberta to an owner of a gas utility will terminate on March 17, 2025, unless they are resubmitted and approved by the AUC before that date. As a result, ATCO Gas and Pipelines and the City of Calgary have agreed to enter into a Franchise Agreement under section 45 of the MGA for a term of 20 years, commencing on March 1, 2025. The parties are currently in the process of obtaining AUC approval.

Hydrogen Blending Project

The advancement of hydrogen production in the province creates additional opportunities related to blending within existing natural gas infrastructure. Canadian Utilities has proposed projects that reinforce the safe use of hydrogen. These opportunities are expected to contribute to system decarbonization, investment, and help support provincial and federal emissions targets.

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 owns and operates an extensive natural gas transmission system. The system currently consists of approximately 9,000-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 172 producer receipt points, 101 interconnections with Nova Gas Transmission Ltd., one interconnection with Alliance Pipeline, and one interconnection with Many Islands Pipelines. Peak delivery capability of the natural gas transmission system is 5.02 billion cubic feet per day.

Non-regulated Natural Gas Transmission

Natural Gas Transmission operates the 116-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 energy transition businesses include hydro, solar, wind, and natural gas electricity generation in Canada, Mexico, and Chile, as well as natural gas storage, Natural Gas Liquids (NGL) storage, and industrial water solutions in Alberta. ATCO EnPower is also developing its cleaner fuels business, including hydrogen, hydrogen derivatives, and carbon capture and sequestration (CCS) projects.

ATCO EnPower has a multifaceted approach to energy transition solutions that involves both innovative technologies and lower-carbon energy sources. We focus on delivering reliable, affordable, and cleaner energy infrastructure that supports our customers' decarbonization objectives and leverages our core competencies and assets in the Americas. ATCO EnPower is actively participating in the energy transition, which will help us pursue our three-pillar growth strategy and vision:

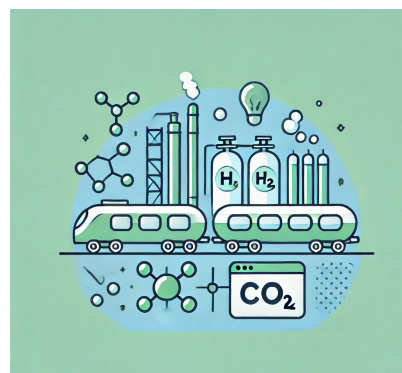
GENERATION



NATURAL GAS AND NGL STORAGE



CLEANER FUELS



Growth of reliable electricity generation is critical to support the energy transition and the energy needs of our customers in Alberta and our global markets. ATCO EnPower is committed to expanding our generation portfolio which includes the development pipeline of projects that ATCO EnPower acquired in 2022. In Alberta, changing market conditions and regulatory environments will determine the timing and pace of development, and ATCO EnPower will continue to monitor these conditions. ATCO EnPower is committed to positioning to be able to fully participate in the Alberta market, and this means we will continue to engage with stakeholders as well as look at other forms of generation and markets to augment our portfolio.

ATCO EnPower is exploring potential opportunities that will complement our growing portfolio and advocate for public policy that will enable a sustainable transition. ATCO EnPower is progressing our cleaner fuels strategy with a key focus for 2025 to achieve Front End Engineering Design (FEED) on the ATCO Heartland Hydrogen Hub and moving the project towards a final investment decision. Additionally, we are driving operational performance in our energy storage business, while pursuing expansion opportunities at our existing sites and other growth opportunities through greenfield development or acquisition. Energy storage is critical to energy stability and to supporting the reliability of the grid as the world transitions to cleaner, but more intermittent, sources of energy.

COMPETITIVE ENVIRONMENT

Energy markets are focused on providing firm, reliable, affordable, investable and sustainable energy as supply of generation and cleaner fuels grows. This in turn drives further investment into storage and grid balancing solutions to improve system reliability. However, the competitive landscape we compete in is continually shifting with changing market and political environments, and as we see more financial, strategic, and traditional energy producers become increasingly interested in generation and cleaner fuels as part of the global energy transition.

ATCO EnPower's natural gas storage facilities are exposed to storage price differentials, and our renewable electricity business has exposure to merchant power markets. Additionally, our peers are a diverse group, including small independent power providers, large utilities, private equity firms, public investment funds, as well as traditional energy firms. We seek opportunities to enter into long-term offtake agreements with high-quality counterparties to underpin our projects and provide greater long-term business 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 457-MW of non-regulated electricity generation operating assets in Canada, Mexico, and Chile as of December 31, 2024.



| 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 | 150 MW Contracted (Microsoft); 75 MW Merchant | 2038 |
| Adelaide | Strathroy, Ontario, Canada | Wind | 2015 | 40 | 75 | 30 | 40 MW Contracted (Ontario Power Authority) | 2035 |
| Barlow | Calgary, Alberta, Canada | Solar | 2023 | 31 | 49 | 15 | 31 MW Merchant | n/a |
| Deerfoot | Calgary, Alberta, Canada | Solar | 2023 | 41 | 49 | 20 | 37 MW Contracted (Microsoft)/4 MW merchant | 2038 |
| Empress | Empress, Alberta, Canada | Solar | 2023 | 39 | 100 | 39 | 39 MW Contracted (Lafarge Canada) | 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 | 32 MW Merchant | n/a |
| Electricidad del Golfo | Veracruz, Mexico | Hydro electric | 2014 | 35 | 100 | 35 | 35 MW Contracted (Various) | 2028 |
| Distributed Generation | San Luis Potosí, Mexico | Gas-Fired | 2016 | 11 | 79 | 9 | 11 MW Contracted (Various) | 2025 -2030 |
| Total Generation | | | | 457 | | 399.85 | | |

(1) Nameplate capacity.

Wind

Forty Mile Wind Phase I

Located in Forty Mile County in southeastern Alberta, this project went into operation in December 2022. It produces 225-MW of energy. Concurrent with the close of the renewable energy portfolio acquisition 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 project produces 40-MW of energy, 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 produce 41-MW and 31-MW of energy, respectively, and have a 15-year PPA with Microsoft Corporation 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 Goodstoney First Nations became the majority owners with a 51 per cent ownership stake in the facilities in September 2023.

Empress Solar

The Empress solar project 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 Lafarge Canada Inc. (Lafarge). Under this agreement, Lafarge'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. This project is located in Cabrero, Chile, and provides 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 supplies more than 200 convenience stores with renewable energy.

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 Potosi, Mexico. The project 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 the fourth quarter of 2016, two additional caverns came into service in the second quarter of 2018 and the fifth cavern came into service in the second quarter of 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 Ikhil gas plant.

CLEANER FUELS

The Company views the development of cleaner fuels as a critical aspect in the successful decarbonization of the energy system over the longer term and we are investing in projects that expand our market reach as global energy transition objectives continue to mature.

ATCO HEARTLAND HYDROGEN HUB PROJECT (AH3)

ATCO EnPower remains committed to hydrogen development within Alberta's Industrial Heartland and has signed a Letter of Intent with Linde Canada Inc. (Linde). ATCO EnPower and Linde are working alongside other parties to further the development and commercial success of the AH3 project, with the objective to commence FEED in 2025 and advance both domestic and export offtake opportunities. The project has significant potential to supply hydrogen to domestic and international markets, including the Alberta gas grid, industrial, municipal, and commercial transport users. The parties continue to work with supportive Federal and Provincial governments to establish policy and frameworks that facilitate investment in the Canadian hydrogen economy of both export and domestic opportunities, and to work with First Nations for their participation in the development of and ownership in the project.

ATLAS CARBON SEQUESTRATION HUB

Atlas Carbon Storage Hub is a partnership developing a CCS facility at the Alberta Industrial Heartland near Fort Saskatchewan, Alberta. The facility is expected to have an initial capacity to capture 800,000 tonnes of CO₂ per year.

On June 26, 2024, ATCO EnPower, in partnership with Shell Canada Limited, announced that a Final Investment Decision had been made to proceed with the first phase of the Atlas Carbon Storage Hub. The first phase of the project is expected to be operational in late 2028, anchored by CO₂ volumes from Shell's Polaris carbon capture project. The multi-phase, open-access carbon storage hub is a major milestone in ATCO's commitment to advancing products and services which may contribute

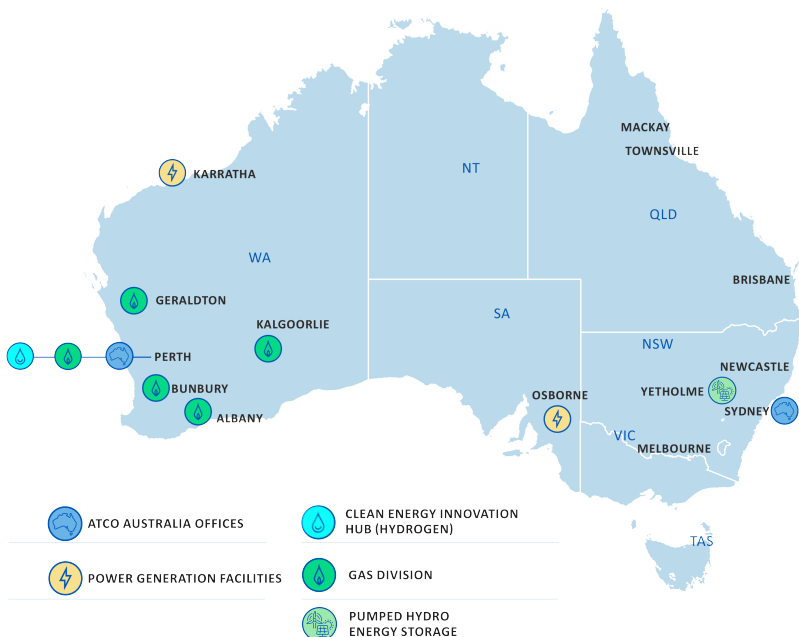
positively to society’s goal of reducing emissions, and is the first step in ATCO EnPower’s work to create a full value chain for hydrogen development – from production and carbon abatement to transport and export. The Atlas Carbon Storage Hub is integral to ATCO’s long-term strategy and sustainability aspirations. The facility will be located east of Edmonton and able to store emissions from the Alberta Industrial Heartland region. Future development of the hub, which is subject to future investment decisions, will further increase ATCO EnPower’s ability to deliver cost-effective products and services aligned with our customers’ needs and society’s goals.

CANADIAN PACIFIC KANSAS CITY LIMITED (CPKC) HYDROGEN LOCOMOTIVE PROJECT

In September 2024, ATCO EnPower successfully produced hydrogen through two 1-MW electrolyzers that were constructed and commissioned in Edmonton and Calgary. This is a significant milestone for ATCO EnPower’s partnership announced in the second quarter of 2022 with CPKC to provide engineering, construction, and operating services for two hydrogen production and refueling facilities in Calgary and Edmonton.



In the first quarter of 2024, the Company changed its operating segment structure to better align with management accountability. This change involved creating a new 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.



OVERVIEW

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.

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, such as energy storage solutions and hydrogen production. 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 815,000 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 14,900-km of natural gas pipelines and associated infrastructure and also distributes liquefied petroleum gas (LPG) to the community of Albany.

The average monthly number of customers served by ATCO Gas Australia in 2024 and 2023 is shown below.

| | 2024 | | 2023 | |
|-------------|---------|-----|---------|-----|
| | Number | % | Number | % |
| Residential | 799,965 | 98 | 788,255 | 98 |
| Commercial | 14,853 | 2 | 14,627 | 2 |
| Industrial | 174 | — | 175 | — |
| Total | 814,992 | 100 | 803,057 | 100 |

The quantity of gas distributed by ATCO Gas Australia in 2024 and 2023 is shown below.

| | 2024 | | 2023 | |
|-------------|------|-----|------|-----|
| | PJ | % | PJ | % |
| Residential | 9.8 | 37 | 10.4 | 37 |
| Commercial | 3.6 | 13 | 3.6 | 13 |
| Industrial | 13.3 | 50 | 14.4 | 50 |
| Total | 26.7 | 100 | 28.4 | 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 Other | | | | 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 region of the Pilbara in 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 DEVELOPMENT IN AUSTRALIA

Hydrogen Blending

In Australia, Canadian Utilities continues to build on 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. In 2020, a 10 per cent hydrogen blend injected into the natural gas supply was successfully tested at the major depot at Jandakot in Perth, Western Australia. In 2021, ATCO Australia successfully secured milestone based funding of \$2 million from the Western Australian Government for hydrogen blending initiation of 2,700 homes around the Jandakot depot site.

In 2022, ATCO Australia successfully blended a small percentage of hydrogen into a portion of the natural gas distribution network for around 2,700 homes within the City of Cockburn. In partnership with Fortescue Future Industries (FFI), Canadian Utilities also constructed Western Australia's first Hydrogen Refuelling Station (HRS) that will enable Fortescue, Canadian Utilities and third parties such as the Western Australia Police to support their fleets of hydrogen fuel cell vehicles for emissions-free travel.

South Australian Hydrogen Jobs Plan

In October 2023, the South Australian Government announced an Early Contractor Involvement (ECI) agreement with ATCO Australia and BOC Linde for the South Australian Hydrogen Jobs Plan project, a 250-MW hydrogen production facility, a 200-MW hydrogen-fuelled electricity generation facility and a hydrogen storage facility. Subsequent to year end, on

February 20, 2025, the government of Australia announced a joint state-federal support package for Whyalla, Australia and its steelworks. Concurrently, it was confirmed that the South Australian Hydrogen Jobs Plan project has been deferred as they reallocate resources. ATCO Australia continues to work with the Office of Hydrogen Power South Australia to assess the impacts and potential next steps.

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.



Corporate & Other includes the global corporate head office in Calgary, Canada, and CU Inc. and Canadian Utilities preferred share dividends and financing expenses.

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⁾ | 2024 | | 2023 | | 2022 | |
|---------------------------|---------------|------------|---------------|------------|---------------|------------|
| | (\$ millions) | % | (\$ millions) | % | (\$ millions) | % |
| ATCO Energy Systems | 3,071 | 83 | 2,968 | 78 | 3,200 | 79 |
| ATCO EnPower | 313 | 8 | 346 | 9 | 297 | 7 |
| ATCO Australia | 241 | 6 | 225 | 6 | 202 | 5 |
| Corporate & Other | 184 | 5 | 384 | 10 | 474 | 12 |
| Intersegment Eliminations | (67) | (2) | (127) | (3) | (125) | (3) |
| Total | 3,742 | 100 | 3,796 | 100 | 4,048 | 100 |

(1) Data has been extracted from Note 3 ("Segmented Information") of the 2024 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 \$3.6 billion in capital since 2022.

ATCO Energy Systems' revenues in 2024 were positively impacted by growth in the Alberta regulated rate base and an increase in Return on Equity (ROE) following the 2023 AUC decision which set the 2024 ROE at 9.28 per cent. However, throughout the last three years, revenues have been influenced by several regulatory decisions. 2023 had lower revenues

than 2022 mainly due to cost efficiencies generated by Electricity Distribution and Natural Gas Distribution over the second generation Performance Based Regulation term now being passed onto customers under the 2023 rebasing framework. Lower revenues in 2023 were partially offset by the Efficiency Carryover Mechanism in 2023 and 2024, Electricity Transmission's settlement of the 2018-2021 Deferral Application, and the 2023-2025 General Tariff Application which reflects ceased collection and a refund of previously collected federal deferred income taxes. In 2022, increased revenues in the Electricity Distribution and Natural Gas Distribution businesses were a result of rate relief provided to customers in 2021 in light of COVID-19 and the subsequent AUC decision to maximize the collection of 2021 deferred revenues in 2022.

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 | | |
|--------------------------|-------|---------------------------|-------|-------|
| | | 2024 | 2023 | 2022 |
| Electricity Distribution | 1,128 | 455 | 391 | 282 |
| Electricity Transmission | 829 | 306 | 239 | 284 |
| Natural Gas Distribution | 1,091 | 407 | 355 | 329 |
| Natural Gas Transmission | 519 | 231 | 145 | 143 |
| Total | 3,567 | 1,399 | 1,130 | 1,038 |

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. 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. Construction commenced in the third quarter of 2024 and is being executed over two winter seasons, with expected completion in 2026. Electricity Transmission is building 85-km of the transmission line and AltaLink is constructing the remaining 50-km.

INTERNATIONAL ELECTRICITY OPERATIONS

On June 22, 2020, LUMA Energy, a company owned 50 per cent by Canadian Utilities and 50 per cent by Quanta Services, Inc., was selected by the P3A to transform, modernize and operate Puerto Rico's 31,000-km 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. 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 the Puerto Rico Electric Power Authority (PREPA) remains in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 30, 2022 and will continue until such time that PREPA's bankruptcy is resolved. The agreement allows LUMA Energy to collect an annualized fixed fee equivalent of \$115 million USD indexed to inflation. Following the resolution of PREPA's bankruptcy proceeding, LUMA Energy will transition to year one of the Operations and Maintenance Agreement where the company will receive a fixed fee and the potential to receive additional incentive fees based on performance.

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. Capital expenditures also included the replacement of aging infrastructure, such as the Urban Pipelines Replacement Program and the Mains Replacement Program, and facilitating coal-to-gas generating conversion of power plants.

Yellowhead Mainline Project

On May 8, 2024, the Company announced its largest ever energy infrastructure project, the Yellowhead Mainline, with the projected spend estimated at \$2.8 billion, subject to further detailed engineering and tendering of supply contracts. On September 18, 2024, the Company announced the filing of a comprehensive regulatory application that establishes the need for the Yellowhead Mainline natural gas project and represents the first of two applications to the AUC. This Alberta project consists of approximately 200–230 kilometres of high-pressure natural gas pipeline and related control and compression facilities that will run from the Edson area to the northeast Edmonton area and is expected to have the capability to deliver about 1,200 terajoules (or 1.1 billion cubic feet) per day of incremental natural gas. Subject to regulatory and the Company's approvals, construction is expected to commence in 2026 and the pipeline is expected to be on-stream in the fourth quarter of 2027.

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 2,809-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 405-km of steel pipe since the approval of this program.

ATCO ENPOWER

Revenues in the ATCO EnPower business has increased steadily over the last three years largely due to the 2022 expansion of the Carbon natural gas storage facilities, the renewable assets acquired and energized in 2023, and the subsequent renewable uprate work completed in 2024.

Capital expenditures in the ATCO EnPower business over the last three years have included the 2022 Carbon natural gas storage facilities expansion project, and 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 ATCO Heartland Hydrogen Hub project, and development of the Atlas Carbon Sequestration Hub.

ELECTRICITY GENERATION

Calgary Solar Development Projects

In March 2022, Canadian Utilities entered into a 15-year PPA with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase up to 37-MW of renewable energy generated by the Deerfoot project. The 31-MW Barlow and 41-MW Deerfoot projects (acquired in 2021) reached commercial operations in the second and third quarters, respectively, of 2023.

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.

Empress Solar Development Project

In September 2023, Canadian Utilities entered into a 12.5-year virtual PPA with Lafarge. Under the terms of the agreement, Lafarge'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.

ATCO AUSTRALIA

Over the last three years, ATCO Australia's revenues have been positively impacted by higher rates and increased system volumes in ATCO Gas Australia. Additionally in 2024, revenues from Early Contract works under the South Australia Hydrogen Jobs Plan project have positively impacted ATCO Power Australia.

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 3 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.

Source Solar

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

CORPORATE & OTHER

SALE OF ATCO ENERGY LTD.

In the third quarter of 2024, Canadian Utilities sold its 100 per cent investment in ATCO Energy Ltd. (ATCOenergy and Rūmi) 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

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.

Subsequent to year-end and 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. Prior to this appointment, Mr. Myles was the Chief Operating Officer of ATCO EnPower. Concurrently, with the appointment of Mr. Myles, Ms. Patrick's title was amended to Executive Vice President, Chief Financial & Investment Officer, Canadian Utilities, and D. Jason Sharpe was appointed Chief Operating Officer, ATCO Energy Systems.

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 Limited.

Subsequent to year-end, on January 1, 2025, Jennifer A. Westacott was appointed to the Board of Directors of Canadian Utilities Limited.

BOARD OF DIRECTORS RETIREMENT

In 2022, Charles W. Wilson retired from the Canadian Utilities Limited Board of Directors, and did not stand for re-election at the Annual and Special Meeting held May 4, 2022.

PLAN OF ARRANGEMENT TRANSACTION

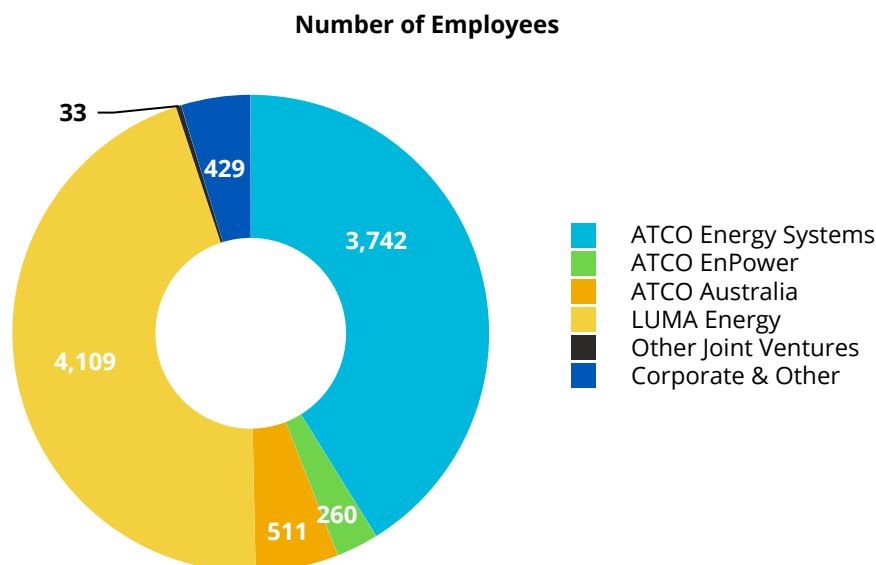
On December 15, 2023, the Company completed an exchange proposal (the Arrangement) to holders (Non-Controlling Holders) of Class B shares other than ATCO, Sentgraf Enterprises Ltd. (Sentgraf) and the Margaret E. Southern Spousal Trust (the MES Spousal Trust). The Arrangement was completed by way of a 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, 2024, the Company had 9,084 employees. The accompanying chart represents the employee numbers in each segment including the 4,142 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. Recent updates include explicitly prohibiting the use of modern slavery within any ATCO business activities to align with Part 2 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9. 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

Our Company is committed to delivering solutions in an environmentally responsible manner. We recognize the importance of minimizing our environmental footprint and are dedicated to implementing policies and procedures that promote environmental protection.

REGULATORY COMPLIANCE

Our Company and its subsidiaries comply with 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.

GOVERNANCE AND RISK REPORTING

Our stewardship and 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 MANAGEMENT SYSTEM

Our businesses have established Environmental Management Systems (EMS) that align with international standards such as ISO 14001. Our EMS is 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.

IMPACT ON FINANCIALS

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, 2024.

SUSTAINABILITY, CLIMATE CHANGE AND ENERGY TRANSITION

Sustainability, Climate Change and Energy Transition is described in the "Sustainability, Climate Change and Energy Transition" 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 2024 Sustainability Report will be published in May 2025.

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 12 of the 2024 Consolidated Financial Statements.

DIVIDENDS

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

| <i>(Canadian dollars per share)</i> | Date of Issue | 2024 | 2023 | 2022 |
|---------------------------------------|----------------------|---------------|---------------|---------------|
| Series Second Preferred Shares | | | | |
| Series Y ⁽¹⁾ | Sep 21, 2011 | 1.2990 | 1.2990 | 1.0754 |
| 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 | Sep 24, 2015 | 1.1250 | 1.1250 | 1.1250 |
| Series HH | Dec 9, 2021 | 1.1875 | 1.1875 | 1.1574 |
| Class A and Class B Shares | | 1.8124 | 1.7944 | 1.7768 |

(1) The annual dividend rate for the Series Y Preferred Shares was reset to 5.196 per cent in June 2022.

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 9, 2025, the Board of Directors declared a first quarter dividend of 45.77 cents per share or \$1.83 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.

DIVIDEND REINVESTMENT PLAN

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. In the full year of 2024, Canadian Utilities issued 631,759 Class A shares under the DRIP using re-invested dividends of \$19 million.

CAPITAL STRUCTURE

SHARE CAPITAL

The share capital of the Company at February 25, 2025 is as shown below.

| Share Description | Authorized | Outstanding |
|--------------------------------|------------|-------------|
| Series Preferred Shares | 150,000 | – |
| Series Second Preferred Shares | Unlimited | 64,050,000 |
| Class A shares | Unlimited | 204,968,487 |
| 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 |
| 4.50% Series FF | \$25.00 | 10,000,000 | 250 |
| 4.75% Series HH | \$25.00 | 8,050,000 | 201 |
| | | | 1,601 |

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 FF Preferred Shares

The Series FF Preferred Shares may be redeemed by the Company on December 1, 2025, and on December 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 FF Preferred Shares into an equal number of Cumulative Redeemable Second Preferred Shares Series GG on December 1, 2025, and on December 1 of every fifth year thereafter. Holders of the Series GG Preferred Shares will be entitled to receive quarterly floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, equal to the then current 3-month Government of Canada Treasury Bill yield plus 3.69 per cent provided that, in any event, such rate shall not be less than 4.5 per cent. On December 1, 2030, and on December 1, of every fifth year thereafter, the Company may redeem the Series GG Preferred Shares in whole or in part at the stated value. On any other date, the Company may redeem the Series GG Preferred Shares in whole or in part by the payment of \$25.50 for each share to be redeemed.

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.

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, 9,603,250 Class A shares were available for issuance at December 31, 2024. 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 7, 2023, we commenced an NCIB to purchase up to 2,018,434 outstanding Class A shares. The bid expired on September 6, 2024. No shares were purchased.

On September 9, 2024, we commenced an NCIB to purchase up to 2,049,604 outstanding Class A shares. The bid will expire on September 8, 2025. To date, no shares have been purchased.

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 14 of the 2024 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, 2024, Canadian Utilities and its subsidiaries had the following lines of credit.

| (\$ millions) | Total | Used | Available |
|---------------------|-------|-------|-----------|
| Long-term committed | 2,739 | 1,030 | 1,709 |
| Uncommitted | 450 | 134 | 316 |
| Total | 3,189 | 1,164 | 2,025 |

Of the \$3,189 million in total lines of credit, \$450 million was in the form of uncommitted credit facilities with no set maturity date. The other \$2,739 million in credit lines was committed with maturities between 2026 and 2028, and may be extended at the option of the lenders.

Of the \$1,164 million in lines of credit used, \$644 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 of the renewable energy portfolio acquisition in ATCO EnPower and the issuance of letters of credit. Details with respect to the credit facilities can be found in Note 22 of the 2024 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 Limited | | |
| 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⁾ a BBB+ 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 February 23, 2024, Fitch Ratings affirmed its 'A-' issuer rating with a stable outlook on both Canadian Utilities and CU Inc.

Subsequent to year-end, on February 20, 2025, Fitch Ratings affirmed its 'A-' issuer rating with a stable outlook on both Canadian Utilities and CU Inc.

On March 21, 2024, S&P Global Ratings affirmed Canadian Utilities' subsidiary ATCO Gas Australia's 'BBB+' issuer credit rating and stable outlook.

On July 23, 2024, DBRS Limited affirmed its 'A (high)' long-term corporate credit rating and stable outlook on Canadian Utilities' subsidiary CU Inc.

On August 28, 2024, DBRS Limited affirmed its 'A' long-term corporate credit rating and stable outlook on Canadian Utilities Limited.

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.

A 'BBB' issuer rating by S&P is the fourth highest of ten categories. An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. 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, FF, and HH 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 2024 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.I for Series FF shares and CU.PR.J for Series HH shares.

CLASS A SHARES

| 2024 | Class A Shares | | |
|-----------|----------------|----------|------------|
| | High (\$) | Low (\$) | Volume |
| January | \$32.70 | \$30.37 | 17,485,426 |
| February | \$31.34 | \$29.46 | 14,464,475 |
| March | \$31.24 | \$30.18 | 12,890,020 |
| April | \$31.13 | \$29.37 | 15,239,150 |
| May | \$32.19 | \$30.06 | 16,456,126 |
| June | \$31.85 | \$29.13 | 12,187,752 |
| July | \$32.57 | \$29.17 | 14,122,728 |
| August | \$34.05 | \$32.03 | 20,427,843 |
| September | \$36.19 | \$33.90 | 15,316,153 |
| October | \$37.10 | \$35.05 | 14,308,644 |
| November | \$36.27 | \$33.14 | 16,197,275 |
| December | \$36.98 | \$33.91 | 13,161,969 |

CUMULATIVE REDEEMABLE SECOND PREFERRED SHARES

| 2024 | Series Y | | | Series AA | | | Series BB | | |
|-----------|-----------|----------|---------|-----------|----------|---------|-----------|----------|---------|
| | High (\$) | Low (\$) | Volume | High (\$) | Low (\$) | Volume | High (\$) | Low (\$) | Volume |
| January | \$20.35 | \$18.47 | 389,917 | \$20.02 | \$18.79 | 36,633 | \$20.01 | \$18.65 | 113,021 |
| February | \$19.70 | \$18.78 | 155,578 | \$19.84 | \$19.17 | 16,702 | \$19.92 | \$19.02 | 65,657 |
| March | \$20.04 | \$19.05 | 161,262 | \$19.23 | \$18.74 | 71,201 | \$19.48 | \$18.90 | 31,972 |
| April | \$20.58 | \$19.58 | 64,828 | \$19.14 | \$18.21 | 364,411 | \$19.48 | \$18.50 | 42,451 |
| May | \$21.45 | \$20.15 | 56,707 | \$19.75 | \$18.39 | 43,658 | \$19.70 | \$18.60 | 74,484 |
| June | \$21.40 | \$18.42 | 150,486 | \$19.70 | \$18.65 | 89,695 | \$19.70 | \$18.73 | 44,799 |
| July | \$21.40 | \$19.75 | 183,827 | \$20.66 | \$18.99 | 141,600 | \$20.60 | \$18.89 | 425,632 |
| August | \$20.65 | \$19.20 | 227,771 | \$21.18 | \$20.05 | 44,715 | \$21.13 | \$20.20 | 59,934 |
| September | \$21.58 | \$20.31 | 133,113 | \$21.30 | \$20.72 | 63,773 | \$21.48 | \$20.99 | 20,406 |
| October | \$21.30 | \$20.26 | 44,226 | \$21.00 | \$20.40 | 134,959 | \$21.12 | \$20.33 | 22,807 |
| November | \$21.22 | \$20.19 | 71,608 | \$20.80 | \$19.81 | 232,684 | \$20.58 | \$19.81 | 154,743 |
| December | \$21.29 | \$20.57 | 186,913 | \$21.82 | \$20.62 | 62,037 | \$21.20 | \$20.43 | 101,846 |

| 2024 | Series CC | | | Series DD | | | Series EE | | |
|-----------|-----------|----------|---------|-----------|----------|---------|-----------|----------|---------|
| | High (\$) | Low (\$) | Volume | High (\$) | Low (\$) | Volume | High (\$) | Low (\$) | Volume |
| January | \$18.16 | \$17.50 | 35,400 | \$18.12 | \$17.21 | 38,015 | \$21.52 | \$20.20 | 32,448 |
| February | \$18.10 | \$17.33 | 31,921 | \$18.40 | \$17.49 | 29,953 | \$22.28 | \$20.80 | 37,079 |
| March | \$17.71 | \$17.35 | 27,929 | \$17.71 | \$17.25 | 80,874 | \$21.47 | \$20.63 | 233,922 |
| April | \$17.56 | \$17.00 | 32,352 | \$17.51 | \$16.75 | 520,051 | \$21.03 | \$19.80 | 73,231 |
| May | \$18.62 | \$16.99 | 53,583 | \$18.20 | \$16.92 | 81,849 | \$21.14 | \$20.06 | 28,865 |
| June | \$18.39 | \$17.30 | 137,373 | \$18.25 | \$17.12 | 79,172 | \$21.10 | \$20.06 | 26,137 |
| July | \$19.32 | \$17.65 | 154,540 | \$19.06 | \$17.60 | 78,891 | \$21.89 | \$20.21 | 301,719 |
| August | \$19.56 | \$18.41 | 30,785 | \$19.62 | \$18.53 | 160,251 | \$22.36 | \$21.50 | 66,125 |
| September | \$19.84 | \$19.40 | 53,638 | \$19.75 | \$19.35 | 48,194 | \$22.80 | \$22.26 | 19,850 |
| October | \$19.55 | \$18.99 | 63,989 | \$19.65 | \$18.91 | 88,436 | \$22.66 | \$21.71 | 23,130 |
| November | \$19.28 | \$18.35 | 128,497 | \$19.10 | \$18.45 | 102,089 | \$22.15 | \$21.10 | 140,649 |
| December | \$19.85 | \$18.81 | 58,926 | \$19.50 | \$18.60 | 52,916 | \$22.48 | \$21.53 | 56,203 |

| 2024 | Series FF | | | Series HH | | |
|-----------|-----------|----------|---------|-----------|----------|---------|
| | High (\$) | Low (\$) | Volume | High (\$) | Low (\$) | Volume |
| January | \$23.50 | \$21.17 | 117,623 | \$19.00 | \$17.80 | 56,364 |
| February | \$23.46 | \$22.89 | 97,516 | \$19.10 | \$18.19 | 42,570 |
| March | \$22.99 | \$22.00 | 98,061 | \$18.81 | \$17.99 | 46,775 |
| April | \$23.75 | \$22.33 | 85,285 | \$18.50 | \$17.77 | 244,317 |
| May | \$24.79 | \$23.58 | 221,393 | \$18.92 | \$17.82 | 86,614 |
| June | \$24.24 | \$22.11 | 414,653 | \$19.15 | \$18.19 | 81,677 |
| July | \$24.50 | \$22.64 | 145,086 | \$19.94 | \$18.50 | 62,055 |
| August | \$24.50 | \$23.46 | 129,092 | \$20.56 | \$19.45 | 31,900 |
| September | \$24.59 | \$24.05 | 115,499 | \$20.70 | \$20.39 | 104,825 |
| October | \$24.93 | \$24.16 | 64,343 | \$20.50 | \$19.84 | 86,917 |
| November | \$24.84 | \$24.03 | 242,578 | \$19.95 | \$19.25 | 56,193 |
| December | \$24.95 | \$24.27 | 191,277 | \$20.31 | \$19.29 | 113,118 |

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS ⁽¹⁾



MATTHIAS F. BICHSEL, PhD

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 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

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 Chair and Chief Executive Officer.

Ms. Koss-Brix was appointed to the ATCO Board on January 1, 2025. 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.

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 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 ⁽³⁾ ⁽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 the Cenovus Energy Board since November 2017, when he was also appointed President and Chief Executive Officer. He became Executive Chair of the Board of Directors in April 2023. As Executive Chair, Mr. Pourbaix is responsible for providing leadership to the Board and ensuring ongoing strong governance, while supporting management's execution of the company's strategy. He also leads Cenovus's advocacy efforts including industry initiatives, government relations, ESG engagement and provides ongoing leadership with the Pathways Alliance. From 2017 until 2023, Mr. Pourbaix served as the President & Chief Executive Officer of Cenovus, where he was responsible for establishing the strategic direction for the company and delivering strong financial, operational and sustainability performance. 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 activity and overseeing major energy infrastructure projects and operations.

Mr. Pourbaix currently serves on the boards of NRG Energy Inc., 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, and the Canadian Energy Pipeline Association and also served as a board member of the Business Council of Canada and Trican Well Service Ltd. In 2022, Mr. Pourbaix was awarded Her Majesty Queen Elizabeth II's Platinum Jubilee Medal (Alberta) in recognition of the contributions he has made to Alberta.

Mr. Pourbaix has a B.A. and LL.B. degree from the University of Alberta.



HECTOR A. RANGEL ⁽⁴⁾

Primary residence Mexico City, Mexico

Director since 2014

Independent

Mr. Rangel is the President of BCP Securities Mexico, a joint venture with BCP Securities LLC, a US investment bank specializing in emerging markets. Prior to this role, he was the Chief Executive Officer of Nacional Financiera S.N.C. and Banco Nacional de Comercio Exterior and a member of Mexico's cabinet under former President Felipe Calderon. Mr. Rangel has extensive corporate and investment banking expertise having held various executive positions with the Grupo Financiero Bancomer from 1991 until 2008, including a tenure as Chairman of the Board. Mr. Rangel has also been President of the Mexico Bankers Association and President of the Mexican Business Council.

Mr. Rangel is presently a director of GNP Profuturo Afore, GNP Seguros, and Fresnillo PLC. Until May 2022, Mr. Rangel served as a director of LUMA Energy, LLC, and has been director of a number of major public companies in Mexico.

Mr. Rangel has an Industrial Engineering degree from Purdue University and a Master's Degree in Business Administration from Stanford University.



LAURA A. REED

Primary residence Wynn Vale, Australia

Director since 2014

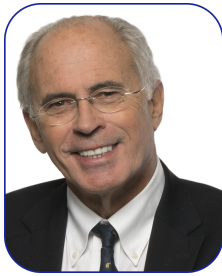
Independent

Ms. Reed is a director of ATCO Australia Pty Ltd. In December 2021, Ms. Reed was appointed Chair of the Spark Infrastructure Group and also joined the boards of Victoria Power Networks PTY and SA Power Networks Partnership and their wholly owned subsidiaries. She is also a director of Bass Oil Limited, an Australian-listed oil producer that holds a majority interest in eight permits in the Cooper Basin.

From 2017 until March 2023, Ms. Reed was the Chair of Epic Energy South Australia Pty Ltd, which owns the Moomba to Adelaide Gas Pipeline and a number of renewable generation assets. She was also previously on the board of the Clean Energy Finance Corporation, the federal government corporation (Australia) which assists with the funding of clean energy projects.

From 2016 until 2019, Ms. Reed was Chair of ERIC Alpha Holdings Pty Ltd and its subsidiaries, which owns 49 per cent of Ausgrid, an electricity distribution business in Australia. She was also a director of Ausgrid from 2013 until 2019. She was the Chief Executive Officer/Managing Director of Spark Infrastructure from 2008 to 2012. During this time Spark Infrastructure owned 49 per cent of two electricity distribution businesses in Australia. Before joining Spark Infrastructure, she spent nine years at Envestra Limited, a gas distribution company, in a number of senior financial roles including Chief Financial Officer.

Ms. Reed holds an MBA from Deakin University and a Bachelor of Business (Accounting) and is a fellow of Certified Practicing Accountants Australia.



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 Chair & Chief Executive Officer, Ms. Southern is not independent because she has a material relationship with CU.

Nancy Southern is Chair & Chief Executive Officer of Canadian Utilities, as well as Chair & Chief Executive Officer of ATCO Ltd. Reporting to the Boards of Directors, she is accountable for the strategic direction, vision and governance for both companies, and has full responsibility for their ongoing operations.

After joining the Canadian Utilities Board of Directors in 1990, Ms. Southern served as Co-Chair prior to being appointed Chair in December 2012. Ms. Southern was President from 2003 until 2015, and Chief Executive Officer from 2003 until 2019 and resumed the role in July 2021. Ms. Southern also 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.

Ms. Southern is a member of The US Business Council, a member of the American Society of Corporate Executives, and a Canadian Member of the Trilateral Commission. She is a member of the Business Council of Canada and the University of Calgary School of Public Policy Advisory Council. In 2020, Ms. Southern joined the Premier's Economic Recovery Council with other policy and industry experts providing insight and strategies to accelerate diversification of Alberta's economy. That same year, Ms. Southern was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British equestrian, military and commercial interests in Alberta, Canada.



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 Chair & Chief Executive Officer.

Ms. Southern-Heathcott is 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.

In 2010, Ms. Southern-Heathcott received her ICD.D certification from the Director Education Program of the Institute of Corporate Directors. In 2018, Ms. Southern-Heathcott was named an Honorary Lieutenant Colonel of the King's Own Calgary Regiment. 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, Ms. Southern-Heathcott was awarded Her Majesty Queen Elizabeth II's Platinum Jubilee Medal (Alberta).



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., Chair of the Board of Directors of ATCO Australia Pty Ltd and a director of LUMA Energy, LLC. 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, AO

Primary residence Sydney, Australia

Director since 2025

Independent

Subsequent to the year-ended December 31, 2024, Ms. Westacott was appointed to the Canadian Utilities Board on January 1, 2025.

Ms. Westacott is a Director of ATCO Australia Pty Ltd and Wesfarmers Limited. She is also a Special Advisor to KPMG. 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.

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

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 Fund 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 |
| Melanie L. Bayley ⁽¹⁾ Alberta, Canada | President, ATCO Electric Ltd. |
| Kyle M. Brunner Alberta, Canada | Senior Vice President, General Counsel & Corporate Secretary |
| M. George Constantinescu 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 ⁽¹⁾ Alberta, Canada | Chief Operating Officer, ATCO EnPower |
| Katherine-Jane Patrick ⁽¹⁾ Alberta, Canada | Executive Vice President & Chief Financial Officer |
| Rebecca A. Penrice Alberta, Canada | Executive Vice President, Corporate Services |
| D. Jason Sharpe ⁽¹⁾ Alberta, Canada | President, ATCO Gas and Pipelines Ltd. |
| Nancy C. Southern Alberta, Canada | Chair & Chief Executive Officer |
| Wayne K. Stensby ⁽¹⁾ Alberta, Canada | Chief Operating Officer, ATCO Energy Systems |
| Clinton G. Warkentin ⁽¹⁾ Alberta, Canada | Executive Vice President and Chief Investment Officer, ATCO Energy Systems |
| Marshall F. Wilmot Alberta, Canada | President, Retail and Chief Digital Officer |

⁽¹⁾ Subsequent to the year-ended December 31, 2024, and effective January 31, 2025, Melanie L. Bayley, Wayne K. Stensby, and Clinton G. Warkentin are no longer in the above noted positions. Effective February 1, 2025, Robert J. Myles was appointed to the role of President & Chief Operating Officer of Canadian Utilities, Katherine-Jane Patrick's portfolio was broadened to include Chief Financial & Investment Officer, Canadian Utilities, and D. Jason Sharpe was appointed to the role of Chief Operating Officer, ATCO Energy Systems.

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. Brunner, Ms. Cooke, Mr. Myles, and Ms. Penrice:

- 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. 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. Myles was appointed Executive Vice President, Corporate Development in March 2020 and was later promoted to Chief Operating Officer, ATCO EnPower. Prior to joining the Company, Mr. Myles was Chief Operating Officer, Industrial, of Stuart Olson Ltd., from January 2016 through October 2019.
- Ms. Penrice was appointed Executive Vice President, Corporate Services in January 2020. Prior to joining the Company, Ms. Penrice was Interim Chief Executive Officer for Sears Canada Inc. from August 2017 until September 2018, and Executive Vice President & Chief Operations Officer from February 2016 until August 2017.

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. Other than as set forth in the preceding sentences, 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 25, 2025, 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. ATCO, Sentgraf and the Spousal Trust are collectively referred to as the Majority Share Owner.

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 securityholder 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.

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.

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

The transfer agent and registrar for the Class A shares and Class B shares and the Cumulative Redeemable Second Preferred Shares Series Y, AA, BB, CC, DD, and EE is TSX Trust Company at its principal offices in Calgary, Toronto, Montreal and Vancouver. The transfer agent and registrar for the Cumulative Redeemable Second Preferred Shares Series FF and HH is TSX Trust Company at its principal offices in Calgary 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, 2024, 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 has prepared the auditor's report for the Company's 2024 Consolidated Financial Statements. PricewaterhouseCoopers LLP 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: strategic plans and targets; emissions reduction efforts and initiatives; expected growth and expansion and diversification opportunities; the expected timing of commencement, completion or commercial operations of activities, contracts and projects; the expected term 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 expected purchase and sale of electricity under PPAs; fees expected to be earned by LUMA under its contractual arrangements; the continuation of LUMA's operations under the Supplemental Agreement until PREPA's bankruptcy is resolved; LUMA's expected transition to year one under the Operation and Maintenance Agreement after PREPA's bankruptcy is resolved; the advancement of hydrogen production in the province creating additional opportunities, which are expected to contribute to system decarbonization, investment, and help support provincial and federal emissions targets; ATCO EnPower's commitment to actively participating in energy transition; the anticipated size, specifications and incremental natural gas delivery capacity of the Yellowhead Mainline project, and the number of regulatory applications and expected timing for commencement of construction and bringing the Yellowhead Mainline project on-stream; the Company's AH3 project, including the project's potential, the

Company's continuing commitment to the project, and continuing engagement with Federal and Provincial governments and First Nations groups in relation to the project; the timing of commercial operation of the Atlas Carbon Storage Hub, the storage of industrial emissions, including from Shell's Polaris carbon capture project, and expected future development of and anticipated benefits from the Atlas Carbon Storage Hub project, including it being the first step in ATCO EnPower's work to create a full value chain for hydrogen development and being integral to ATCO's long-term strategy and sustainability aspirations; the expected impact of new legislation; 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, certain regulatory applications being made and approved in 2025; 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 project 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, regulations and government policies, including uncertainty with respect to recent amendments to the *Competition Act* (Canada); regulatory decisions; competitive factors in the industries in which the Company operates; prevailing market and 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 termination or breach of contract by contract counterparties; 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 customs duties, tariffs or other trade restrictions; geopolitical tensions and wars; 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 this AIF.

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 11, 2024.

Additional financial information is provided in the Company's audited 2024 Consolidated Financial Statements and MD&A for the financial year ended December 31, 2024. 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

2024 Consolidated Financial Statements means Canadian Utilities Limited's Consolidated Financial Statements for the year ended December 31, 2024.

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, 2024.

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.
- 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 the internal audit activity's performance relative to its plan and other matters.
- 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.

Risk Management

- Understand the principal risks of the Corporation:
 - review and consider with management the Corporation's risk taking 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:

- L.M. Charlton - 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 current Chair of Mancal Corporation, he is Chair of the Transactions Committee and is a member of the Valuations and Reserves 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.
- R.J. Normand (Chair) - For more than 30 years, Mr. Normand held senior executive roles in the financial and banking sectors, culminating in the role of President and Chief Executive Officer of Alberta Treasury Branches until his retirement in 2008. In 2015, he retired as Chair of the Workers Compensation Board of 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 has an M.B.A. and a B.A. (Economics) and has completed studies leading to the Fellow of the Institute of Canadian Bankers designation.
- R.J. Urwin - Dr. Urwin has been the Chief Executive Officer of several major public companies. He was the Group Chief Executive of National Grid plc from 2001 until his retirement in 2006, and was responsible for compliance with the US Sarbanes-Oxley requirements. Dr. Urwin has been a member of the Audit Committee for a number of UK public companies.

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 PricewaterhouseCoopers LLP for each of the past two years were as follows:

| <i>(\$ Millions)</i> | 2024 | 2023 |
|-----------------------------------|-------------|-------------|
| Audit fees ⁽¹⁾ | 4.7 | 4.4 |
| Audit-related fees ⁽²⁾ | — | 0.1 |
| Total | 4.7 | 4.5 |

(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.