

ATCO LTD.

FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

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2025 THIRD QUARTER FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

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ATCO LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

This Management's Discussion and Analysis (MD&A) is meant to help readers understand key operational and financial events that influenced the results of ATCO Ltd. (ATCO, our, we, us, or the Company) during the nine months ended September 30, 2025.

This MD&A was prepared as of November 6, 2025, and should be read with the Company's unaudited interim consolidated financial statements for the nine months ended September 30, 2025. Additional information, including the Company's previous MD&As, Annual Information Form, and audited consolidated financial statements for the year ended December 31, 2024, is available on SEDAR+ at www.sedarplus.ca. Information contained in the 2024 MD&A is not discussed in this MD&A if it remains substantially unchanged.

The Company is controlled by Sentgraf Enterprises Ltd. and its controlling share owner, the Southern family. The Company includes controlling positions in Canadian Utilities Limited (Canadian Utilities or CU) (52.5 per cent ownership), ATCO Structures & Logistics Ltd. (ATCO Structures & Logistics) (100 per cent ownership), ATCO Land and Development Ltd. (ATCO Land and Development) (100 per cent ownership), ASHCOR Technologies Ltd. (Ashcor) (100 per cent ownership), ATCO Energy Ltd. (ATCO Energy) (100 per cent ownership), and Fresh Bites Inc. (Fresh Bites) (100 per cent ownership). The Company also has an equity investment in Neltume Ports S.A. (Neltume Ports) (40 per cent ownership). Throughout this MD&A, the Company's earnings attributable to Class I and Class II Shares and adjusted earnings are presented after non-controlling interests.

Terms used throughout this MD&A are defined in the Glossary at the end of this document.

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PERFORMANCE OVERVIEW

FINANCIAL METRICS

The following chart summarizes key financial metrics associated with our financial performance.

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions, except per share data and outstanding shares)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Key Financial Metrics						
Revenues	**1,184**	1,116	68	**3,753**	3,552	201
Adjusted earnings (loss) [1]	**103**	91	12	**364**	335	29
ATCO Structures & Logistics [1]	**32**	26	6	**91**	80	11
ATCO Investments [1] [2]	**13**	12	1	**30**	22	8
Canadian Utilities Limited [1]						
ATCO Energy Systems [1]	**53**	49	4	**235**	224	11
ATCO EnPower [1]	**9**	7	2	**21**	21	—
ATCO Australia [1]	**14**	8	6	**32**	23	9
Canadian Utilities Financing & Other [1]	**(18)**	(11)	(7)	**(45)**	(35)	(10)
Adjusted earnings ($ per share) [3]	**0.92**	0.81	0.11	**3.24**	2.99	0.25
Earnings attributable to Class I and Class II Shares	**85**	93	(8)	**293**	292	1
Earnings attributable to Class I and Class II Shares ($ per share)	**0.76**	0.83	(0.07)	**2.61**	2.60	0.01
Diluted earnings attributable to Class I and Class II Shares ($ per share)	**0.75**	0.83	(0.08)	**2.60**	2.60	—
Total assets	**27,742**	26,052	1,690	**27,742**	26,052	1,690
Long-term debt	**12,734**	11,493	1,241	**12,734**	11,493	1,241
Class I and Class II Share owners' equity	**4,747**	4,497	250	**4,747**	4,497	250
Cash dividends declared per Class I and Class II Share (cents per share)	**50.45**	48.98	1.47	**151.35**	146.94	4.41
Cash flows from operating activities	**552**	462	90	**1,822**	1,580	242
Capital investment [4]	**470**	519	(49)	**1,376**	1,234	142
Capital expenditures	**467**	473	(6)	**1,367**	1,185	182
Other Financial Metrics						
Weighted average Class I and Class II Shares outstanding *(thousands):*						
Basic	**112,354**	112,169	185	**112,338**	112,162	176
Diluted	**112,813**	112,314	499	**112,666**	112,229	437

(1) Total of segments measures (as defined in National Instrument 52-112 - Non GAAP and Other Financial Measures Disclosure (NI 52-112)). The most directly comparable measure to Adjusted Earnings (loss) reported in accordance with International Financial Reporting Standards (IFRS) is Earnings Attributable to Class I non-voting and Class II voting shares. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

(2) In 2025, ATCO Ltd. simplified its operating segment structure by combining the Neltume Ports and ATCO Corporate & Other segments into a single ATCO Investments segment. Previously, Neltume Ports and ATCO Corporate & Other had been reported separately. Comparative amounts for prior periods have been reclassified to reflect this change in reportable operating segments.

(3) Non-GAAP ratio (as defined in NI 52-112). The most directly comparable measure reported in accordance with IFRS is Earnings Attributable to Class I non-voting and Class II voting shares ($ per share). See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

(4) Non-GAAP financial measure (as defined in NI 52-112). The most directly comparable measure reported in accordance with IFRS is capital expenditures. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Capital Investment to Capital Expenditures" in this MD&A.

REVENUES

Revenues in the third quarter of 2025 were $1,184 million, $68 million higher than the same period in 2024 mainly due to ATCO Structures' higher space rental sale and leasing activity in Canada and the US and increased permanent modular construction activity in Canada. Higher revenues were also due to growth in the regulated rate base in ATCO Energy Systems, increased rates in ATCO Gas Australia as a result of moving into the new five-year Access Arrangement (AA6), and stronger seasonal spreads in natural gas storage services in ATCO EnPower. Revenues were partially offset by a decrease in 2025 return on equity (ROE) in ATCO Energy Systems, the completion of efficiency carryforward mechanism (ECM) funding in 2024 for Electricity Distribution and Natural Gas Distribution, and the commencement of the Second Generation Performance Based Regulation (PBR2) re-opener decision, currently under appeal, to refund $35 million to the customers of Electricity Distribution and $36 million to the customers of Natural Gas Distribution over a six-month period, from September 1, 2025 to February 28, 2026.

ADJUSTED EARNINGS [1]

Our adjusted earnings in the third quarter of 2025 were $103 million or $0.92 per share, compared to $91 million or $0.81 per share for the same period in 2024.

Higher adjusted earnings in the third quarter of 2025 were mainly due to ATCO Frontec's realized operating efficiencies, ATCO Structures' increased space rental sale and leasing activity in Canada and the US and permanent modular construction activity in Canada, growth in rate base in ATCO Energy Systems' businesses, and higher rates in ATCO Gas Australia as a result of moving into AA6. Higher earnings were partially offset by a decrease in 2025 ROE in ATCO Energy Systems, and completion of ECM funding in 2024 for Electricity Distribution and Natural Gas Distribution. Additionally, higher earnings were partially offset by lower interest income earned, the timing of certain expenses, and decreased earnings contribution from ATCO Energy, which was transferred to ATCO on August 1, 2024.

Additional detail on the financial performance of our business units is discussed in the "Business Unit Performance" section of this MD&A.

EARNINGS ATTRIBUTABLE TO CLASS I AND CLASS II SHARES

Earnings attributable to Class I and Class II Shares were $85 million in the third quarter of 2025, $8 million lower compared to the same period in 2024. Earnings attributable to Class I and Class II Shares include timing adjustments related to rate-regulated activities, unrealized gains or losses on mark-to-market forward and swap commodity contracts, one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations. These items are not included in adjusted earnings.

More information on these and other items is included in the "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" section of this MD&A.

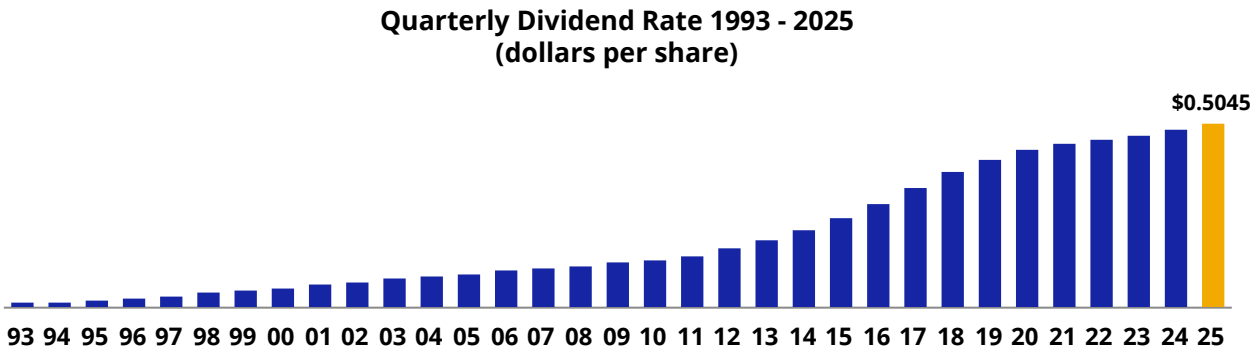
CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities were $552 million in the third quarter of 2025, $90 million higher than the same period in 2024. This increase was mainly due to the timing of settlement of accounts payable and the collection of trade receivables from customers, and increased customer contributions in the Regulated Utilities.

COMMON SHARE DIVIDENDS

Dividends paid to Class I and Class II Share owners totaled $57 million in the third quarter of 2025. On October 9, 2025, the Board of Directors declared a fourth quarter dividend of 50.45 cents per share or $2.02 on an annualized basis. ATCO expects to continue to grow its dividends consistent with the sustainable growth of its investments.

[1] *Total of segments measure. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.*

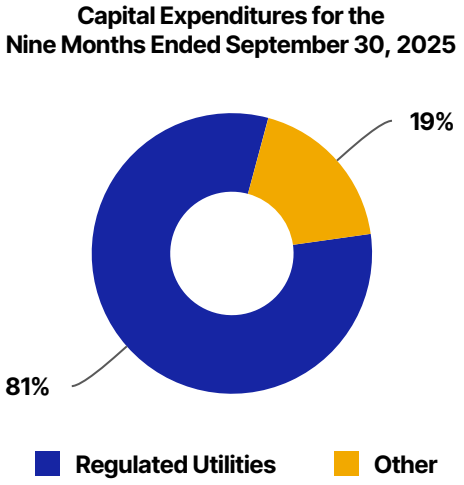


CAPITAL INVESTMENT [1] AND CAPITAL EXPENDITURES

Capital investment is a non-GAAP financial measure defined as cash used for capital expenditures, business combinations, and cash used in the Company's share of capital expenditures in joint ventures. Total capital investment of $470 million in the third quarter of 2025 was $49 million lower compared to the same period in 2024 mainly due to timing of capital project spend in Electricity Distribution and Electricity Transmission, decreased capital spend in ATCO EnPower, and ATCO Structures' acquisition of NRB Limited (NRB) in the third quarter of 2024. Lower capital investment was partially offset by increased spending related to ongoing system upgrades and growth projects in the Regulated Utilities, including the Yellowhead Pipeline Project (Yellowhead) in Natural Gas Transmission and the Central East Transfer-Out Project (CETO) in Electricity Transmission, and increased capital spending on rental fleet additions in ATCO Structures.

Total capital investment $1,376 million in the first nine months of 2025 was $142 million higher compared to the same period in 2024 mainly due to increased spending related to ongoing system upgrades and growth projects in the Regulated Utilities, including Yellowhead in Natural Gas Transmission and CETO in Electricity Transmission, increased capital spending on rental fleet additions, largely in the US, in ATCO Structures, and the Atlas Carbon Storage Hub project in ATCO EnPower. This was partially offset by ATCO Structures' acquisition of NRB in the third quarter of 2024.

Capital expenditures, a GAAP measure reported in accordance with IFRS, include additions to property, plant and equipment and intangibles as well as interest capitalized during construction. Total capital expenditures of $467 million in the third quarter of 2025 and $1,367 million in the first nine months of 2025 were $6 million lower and $182 million higher, respectively, compared to the same periods in 2024 mainly due to the factors outlined above, with the exception of the NRB acquisition. Capital expenditures in joint ventures and business combinations are excluded from capital expenditures.



Capital expenditures in Canadian Utilities' Regulated Utilities accounted for 81 per cent of the total in the first nine months of 2025. The remaining 19 per cent was primarily related to ATCO Structures' continued expansion of its space rentals fleet, largely in the US, and capital spending within ATCO EnPower, largely related to the Atlas Carbon Storage Hub project and sustaining capital.

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[1] *Non-GAAP financial measure. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Capital Investment to Capital Expenditures" in this MD&A.*

BUSINESS UNIT PERFORMANCE



ATCO Structures & Logistics' activities are conducted through two complementary businesses: ATCO Structures and ATCO Frontec. ATCO Structures designs, builds and delivers products to service the essential need for housing and shelter around the globe. ATCO Frontec provides operational support services to government, defence and commercial clients.

REVENUES

ATCO Structures & Logistics revenues of $337 million and $901 million in the third quarter and first nine months of 2025 were $61 million and $154 million higher than the same periods in 2024 mainly due to ATCO Structures' higher workforce housing sale activity in Australia, higher space rental sale and leasing activity in Canada and the US, and permanent modular construction activity in Canada, including housing. Increases were driven by the acquisition of NRB in Canada and the expanded operating footprint via branch additions in the US. Higher revenues were partially offset by lower workforce housing sale activity in the US and space rental sale activity in Australia.

ADJUSTED EARNINGS

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
ATCO Structures [1]	**30**	29	1	**88**	83	5
ATCO Frontec [1]	**2**	(3)	5	**3**	(3)	6
Total ATCO Structures & Logistics [2]	**32**	26	6	**91**	80	11

(1) Non-GAAP financial measures. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

(2) Total of segments measure. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

ATCO Structures & Logistics adjusted earnings of $32 million and $91 million in the third quarter and first nine months of 2025 were $6 million and $11 million higher than the same periods in 2024. Higher adjusted earnings were mainly due to ATCO Frontec's realized operating efficiencies and a provision recorded in the third quarter of 2024 regarding the potential collectability of a customer's receivables, ATCO Structures' increased space rental sale and leasing activity in Canada and the US, and permanent modular construction activity in Canada. This was partially offset by ATCO Structures' higher operating costs associated with US expansion, workforce housing sale performance in Australia, reduced used fleet sale activity in the US, and reduced space rental sale activity in Australia.

Detailed information about the activities and financial results of the ATCO Structures & Logistics businesses is provided in the following sections.

ATCO STRUCTURES

ATCO Structures manufactures, sells and leases space rental products, transportable workforce housing, and modular residential housing. Space rentals sells and leases mobile office trailers in various sizes and floor plans to suit our customers' needs. Workforce housing delivers modular workforce housing worldwide, including short-term and permanent modular

construction, pre-fabricated and relocatable modular buildings. Residential housing manufactures and sells pre-fabricated, modular single- and multi-family homes.

ATCO Structures' adjusted earnings of $30 million and $88 million in the third quarter and first nine months of 2025 were $1 million and $5 million higher than the same periods in 2024 mainly due to ATCO Structures' increased space rental sale and leasing activity in Canada and the US, and increased permanent modular construction activity in Canada. This was partially offset by higher operating costs from the acquisition of NRB and the addition of branches in the US, lower earnings from workforce housing sales driven by performance on a project in Australia that concluded during the quarter and reduced used fleet sale activity in the US, and reduced space rental sale activity in Australia.

The following table compares ATCO Structures' rental fleet for the third quarter and first nine months of 2025 and 2024.

	Three Months Ended September 30			Nine Months Ended September 30		
	2025	2024	Change	2025	2024	Change
Global Space Rentals						
Number of units	**26,136**	24,763	6%	**26,136**	24,763	6%
Average utilization *(%)*	**75**	75	—%	**75**	74	1%
Average rental rate *($ per month)*	**834**	786	6%	**817**	783	4%
Global Workforce Housing						
Number of units	**2,354**	2,528	(7%)	**2,354**	2,528	(7%)
Average utilization *(%)*	**56**	60	(4%)	**58**	59	(1%)
Average rental rate *($ per month)*	**1,404**	1,583	(11%)	**1,383**	1,415	(2%)

Rental Fleet

Space Rentals

ATCO Structures continues to invest capital in Canada, the US and Australia to capture market share and execute its expansion strategy for its sustainable base business. ATCO Structures has increased the number of units on rent and realized higher average rental rates due to sustained higher demand for its space rentals fleet in these regions. Utilization follows a cyclical pattern with the North American construction season driving increased activity in the summer months. Current utilization levels ensure there is a mix of fleet available that is suitable for servicing the demands of a larger customer base.

Workforce Housing

ATCO Structures is focused on maintaining the optimized level and mix of workforce housing fleet in Canada, the US and Australia. Fleet performance differences during the quarter are mainly the result of a large short-term project in Australia that concluded earlier in the year, following which the previously rented assets were sold. Utilization is cyclical and can fluctuate with commodity prices, government policies, economic activity and uncertainty. Cyclical low points provide an opportunity to tailor and expand fleet offerings to meet the current and anticipated needs of the market.

ATCO STRUCTURES RECENT DEVELOPMENTS

In the third quarter of 2025, ATCO Structures continued growing its market presence through organic strategic initiatives and investment in the base business, particularly in space rentals. This included expansion and optimization of the global rental fleet. Awarded contracts, such as those summarized below, illustrate the diversity of geographies and industries that ATCO Structures services and contribute to the resilience of its growth. These highlighted projects represent awards during the period and do not comprise all activity during the quarter.

United States

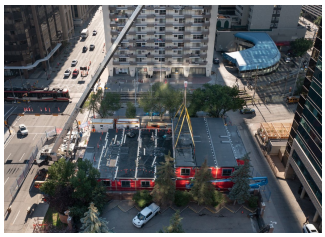
ATCO Structures was awarded a $179 million contract by Perpetua Resources Corp. to supply and install a 1,052-person dormitory lodge and office facilities in support of the Stibnite Gold Project located near Yellow Pine, Idaho. Design work is underway with manufacturing scheduled to commence in the fourth quarter of 2025. Site work is scheduled to commence in 2026 with final completion anticipated in early 2027.

ATCO Structures was awarded contracts to provide space rental and workforce housing solutions supporting shipping infrastructure enhancements in Alaska, gold exploration and mining operations in Washington, and technology construction

across the continental US, including projects to construct chip fabrication facilities, data centres and related infrastructure. These awards comprise 199 modular units and total $34 million in sale and lease contracts.

Canada

ATCO Structures was awarded contracts to provide space rental and workforce housing solutions supporting gold, silver and copper mining operations through Western and Central Canada, and uranium exploration in Central Canada. These awards comprise 200 modular units and total $32 million in sale and lease contracts.



During the quarter, ATCO Structures began on-site installation of a previously awarded contract by Attainable Homes Calgary (AHC) for a 6-storey, 84-suite affordable housing building using permanent modular construction. Modular units were craned into the constrained site in Calgary's downtown core over a period of 10 days. Completion of the project is anticipated by the end of the year. Pre-approval design works have commenced for a second project with AHC for a 6-storey, 198-suite complex in Calgary's Sunnyside community.

Australia

ATCO Structures was awarded contracts to provide space rental and workforce housing solutions to support mining operations in Queensland and an infrastructure project in Victoria, and to provide permanent modular classrooms in Queensland. These sale awards comprise 138 units and total $14 million.

ATCO FRONTEC

ATCO Frontec provides facility operations and maintenance services, workforce lodging and support services, defence operations services, and disaster and emergency management services.

ATCO Frontec's adjusted earnings of $2 million and $3 million in the third quarter and first nine months of 2025 were $5 million and $6 million higher than the same periods in 2024. Higher earnings were mainly due to realized operating efficiencies, a provision recorded in the third quarter of 2024 regarding the potential collectability of a customer's receivables, and additional earnings from the Polar Over-the-Horizon Radar project. Higher earnings were partially offset by decreased client work requests and occupancy at the BC Hydro Site C camp.

ATCO FRONTEC RECENT DEVELOPMENTS

Prime Contractor Role Secured

In the third quarter of 2025, ATCO Frontec secured a position as a US Prime Contractor on the US Navy's Worldwide Expeditionary Multiple Award Contract 2.1 – Territorial Integrity of the United States. ATCO Frontec is now eligible to bid on task orders under the program to deliver expeditionary logistics and life support services across the continental US and outlying territories, positioning ATCO Frontec as a trusted, large-scale US prime contractor.

Canadian Forces College (CFC) Award

ATCO Frontec was awarded a new one-year contract to provide full-service food catering at the CFC in Toronto, Ontario starting in the third quarter of 2025. The contract runs until July 31, 2026, with a one-year extension option.



ATCO Investments

ATCO Investments incorporates our 40 per cent equity investment in Neltume Ports, and our wholly owned subsidiaries ATCO Land and Development, Ashcor, ATCO Energy, and Fresh Bites. ATCO Investments also includes ATCO Corporate & Other which contains the global corporate head office in Calgary, Canada, ATCO licensing fees received, and financing expenses.

REVENUES

Including intersegment eliminations, ATCO Investments' revenues of $55 million and $133 million in the third quarter and first nine months of 2025 were $25 million and $89 million higher than the same periods in 2024 mainly due to additional revenues from ATCO Energy which was acquired from Canadian Utilities on August 1, 2024, and increased volume and pricing at Ashcor's facilities.

ADJUSTED EARNINGS

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Investments						
Neltume Ports	**10**	7	3	**25**	18	7
Other Investments [1]	**4**	4	—	**14**	4	10
Total Investments [1]	**14**	11	3	**39**	22	17
ATCO Corporate & Other [1]	**(1)**	1	(2)	**(9)**	—	(9)
Total ATCO Investments [2]	**13**	12	1	**30**	22	8

(1) Non-GAAP financial measures. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

(2) Total of segments measure. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

Including intersegment eliminations, ATCO Investments' adjusted earnings of $13 million in the third quarter of 2025 were comparable to the same period in 2024.

ATCO Investments' adjusted earnings of $30 million in the first nine months of 2025 were $8 million higher than the same period in 2024 mainly due to additional earnings from ATCO Energy which was acquired on August 1, 2024, favourable cargo mix and improved margins across operations within Neltume Ports' portfolio, and an additional nonrecurring service also in Neltume Ports which contributed approximately $2 million to adjusted earnings in the third quarter of 2025. Partially offsetting these increases were higher net interest expenses in ATCO Corporate & Other.

Neltume Ports

Neltume Ports is a port operator and developer with a diversified portfolio of 17 multi-purpose, bulk cargo and container port facilities and 5 port operation services. The business is located primarily in Chile with additional operations in Uruguay, Argentina, Brazil and the US.

Neltume Ports' adjusted earnings of $10 million and $25 million in the third quarter and first nine months of 2025 were $3 million and $7 million higher than the same periods in 2024 mainly due to favourable cargo mix and improved margins

across operations within the portfolio of ports, and an additional nonrecurring service which contributed approximately $2 million to adjusted earnings in the third quarter of 2025.

Other Investments

Other Investments includes ATCO Land & Development, Ashcor, ATCO Energy, and Fresh Bites. ATCO Land and Development is a commercial real estate business that holds investments for sale, lease or development. Ashcor is a company engaged in the recycling and marketing of ash, a waste byproduct of electricity generation. ATCO Energy provides retail electricity and natural gas services, home products, home maintenance services and professional home advice in Alberta, and includes our retail food services brand Blue Flame Kitchen. Fresh Bites is a food service company.

Adjusted earnings of $4 million in the third quarter of 2025 were comparable to the same period in 2024.

Adjusted earnings of $14 million in the first nine months of 2025 were $10 million higher than the same period in 2024 mainly due to additional earnings from ATCO Energy which was acquired from Canadian Utilities on August 1, 2024. ATCO Energy's earnings were higher compared to the same period in 2024 mainly due to increased commodity margins. Higher earnings were partially offset by increased business development costs within Ashcor and ATCO Land and Development.

ATCO Corporate and Other

ATCO Corporate & Other contains the global corporate head office in Calgary, Canada, ATCO licensing fees received, and financing expenses.

Adjusted earnings in the third quarter and first nine months of 2025 were $2 million and $9 million lower than the same periods in 2024 mainly due to higher net interest expenses and the timing of certain expenses.



Canadian Utilities is a diversified global energy infrastructure corporation delivering essential services 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).

ATCO Energy Systems

REVENUES

ATCO Energy Systems revenues of $663 million and $2,297 million in the third quarter and first nine months of 2025 were $10 million and $54 million higher than the same periods in 2024. Higher revenues were mainly due to growth in rate base. Higher revenues were partially offset by a decrease in ROE following the annual update of the Alberta Utilities Commission (AUC) approved ROE formula which set the 2025 ROE at 8.97 per cent compared to the 2024 rate of 9.28 per cent, and the completion of ECM funding of up to 0.5 per cent additional ROE in 2024 for Electricity Distribution and Natural Gas Distribution. Additionally, higher revenues were partially offset by the commencement of refunds of $35 million and $36 million to the customers of Electricity Distribution and Natural Gas Distribution, respectively, over the September 1, 2025 to February 28, 2026 period, resulting from the AUC's PBR2 re-opener Phase II Decision rendered in the second quarter of 2025. The Company has been granted leave to appeal this decision which will be heard in April 2026.

ADJUSTED EARNINGS

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Electricity						
Electricity Distribution [1]	**21**	20	1	**62**	55	7
Electricity Transmission [1]	**23**	25	(2)	**70**	75	(5)
International Electricity Operations [1]	**8**	7	1	**23**	21	2
Total Electricity [1]	**52**	52	—	**155**	151	4
Natural Gas						
Natural Gas Distribution [1]	**(14)**	(14)	—	**37**	38	(1)
Natural Gas Transmission [1]	**15**	11	4	**43**	35	8
Total Natural Gas [1]	**1**	(3)	4	**80**	73	7
Total ATCO Energy Systems [2]	**53**	49	4	**235**	224	11

(1) Non-GAAP financial measures. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

(2) Total of segments measure. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

ATCO Energy Systems' adjusted earnings of $53 million and $235 million in the third quarter and first nine months of 2025 were $4 million and $11 million higher than the same periods in 2024 mainly due to growth in rate base and cost efficiencies. Higher earnings were partially offset by a decrease in 2025 ROE which is set at 8.97 per cent compared to the 2024 rate of 9.28 per cent, and the completion of ECM funding of up to 0.5 per cent additional ROE in 2024 for Electricity Distribution and Natural Gas Distribution.

Detailed information about the activities and financial results of the ATCO Energy Systems business segments is provided in the following sections.

Electricity Distribution

Electricity Distribution provides regulated electricity distribution and distributed generation mainly in Northern and Central East Alberta, the Yukon, the Northwest Territories, and in the Lloydminster area of Saskatchewan.

Electricity Distribution adjusted earnings of $21 million and $62 million in the third quarter and first nine months of 2025 were $1 million and $7 million higher than the same periods in 2024 mainly due to growth in rate base, and the timing of cost efficiencies and tax adjustments recorded throughout 2024 and 2025, partially offset by the completion of ECM funding in 2024 and lower ROE in 2025.

Electricity Transmission

Electricity Transmission provides electricity transmission mainly in Northern and Central East Alberta, and in the Lloydminster area of Saskatchewan. Electricity Transmission has a 35-year contract to be the operator of Alberta PowerLine, a 500-km electricity transmission line between Wabamun, near Edmonton, and Fort McMurray, Alberta.

Electricity Transmission adjusted earnings of $23 million and $70 million in the third quarter and first nine months of 2025 were $2 million and $5 million lower than the same periods in 2024 mainly due to lower ROE in 2025.

International Electricity Operations

International Electricity Operations includes a 50 per cent ownership in LUMA Energy, LLC (LUMA Energy), a company formed and awarded an Operations and Maintenance Agreement (OMA) with the Puerto Rico Public-Private Partnerships Authority and the Puerto Rico Electric Power Authority (PREPA).

LUMA Energy continues to operate under the terms of a Supplemental Agreement, which was extended on November 30, 2022. The transition to year one of the OMA is not expected to occur until PREPA's bankruptcy proceeding is resolved.

International Electricity Operations adjusted earnings of $8 million and $23 million in the third quarter and first nine months of 2025 were $1 million and $2 million higher than the same periods in 2024 mainly due to favourable foreign exchange rates and higher management fees as a result of inflation adjustments, partially offset by higher non-recoverable costs.

Natural Gas Distribution

Natural Gas Distribution serves municipal, residential, commercial, and industrial customers throughout Alberta and in the Lloydminster area of Saskatchewan.

Natural Gas Distribution adjusted earnings in the third quarter of 2025 were comparable to the same period in 2024.

Natural Gas Distribution adjusted earnings in the third quarter of 2025 were $1 million lower than the same period in 2024 mainly due to the completion of ECM funding in 2024 and lower ROE in 2025, partially offset by growth in rate base and cost efficiencies.

Natural Gas Transmission

Natural Gas Transmission receives natural gas on its pipeline system from various gas processing plants as well as from other natural gas transmission systems and transports it to end users within the province of Alberta or to other pipeline systems.

Natural Gas Transmission adjusted earnings of $15 million and $43 million in the third quarter and first nine months of 2025 were $4 million and $8 million higher than the same periods in 2024 mainly due to growth in rate base and cost efficiencies, partially offset by lower ROE in 2025.

ATCO ENERGY SYSTEMS RECENT DEVELOPMENTS

Utility Infrastructure Projects

ATCO Energy Systems continues work on its two large utility infrastructure projects: Yellowhead in Natural Gas Transmission and CETO in Electricity Transmission.

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

  The Company expects to fund Yellowhead's development within CU Inc., according to their regulated capital structure, which is 63 per cent regulated debt and 37 per cent regulated equity. We continue to pursue partnership arrangements with Indigenous partners that may contribute up to 30 per cent. The remaining investment will be funded through Canadian Utilities with proceeds coming from diverse capital sources, including $500 million from the September 2025 fixed-to-fixed rate subordinated notes, cash from operations, and other potential future capital issuances.
- CETO consists of a 135-km 240kV transmission line, of which Electricity Transmission is building 85-km of the transmission line and AltaLink LP is constructing the remaining 50-km. Electricity Transmission completed the winter season construction in the first quarter of 2025, and has progressed substation tendering for civil, structural and electrical works and began fall season construction in the third quarter of 2025. Electricity Transmission's 85-km of the transmission line is on track to be energized by June 2026 with an approximate $255 million project spend. CETO will support renewable energy integration in Alberta and transport electricity in the counties of Red Deer, Lacombe and Stettler, supplying more than 1,500 megawatts of electricity to Alberta's grid.

ATCO ENERGY SYSTEMS REGULATORY DEVELOPMENTS

Common Matters

Second Generation Performance Based Regulation (PBR2) Re-openers

In June 2023, the AUC initiated a proceeding for Electricity Distribution and Natural Gas Distribution as the re-opener clause was triggered by both utilities' earnings in 2022, the final year of PBR2. The PBR2 re-opener thresholds were triggered as a result of both utilities' earnings being either +/- 500 basis points from the approved ROE in one year or +/- 300 basis points from the approved ROE in two consecutive years.

On May 22, 2024, the AUC issued a decision to re-open the PBR2 plan and advanced to the second phase of the proceeding (Phase I Decision). The AUC claimed that the distribution businesses failed to quantify or attribute all efficiency gains under

PBR2 to specific programs or initiatives. An appeal with the Alberta Court of Appeal (ACA) was filed on the Phase I Decision of the proceeding.

On May 28, 2025, the AUC issued its Phase II Decision related to the PBR2 re-opener proceeding to refund $35 million to the customers of Electricity Distribution and $36 million to the customers of Natural Gas Distribution over a six-month period, from September 1, 2025 to February 28, 2026. In regard to the Phase II Decision, a Review and Variance (R&V) and a Permission to Appeal (PTA) were filed with the AUC and the ACA, respectively, on June 27, 2025. On September 22, 2025, the PTA of the Phase II Decision was granted by the ACA. The Phase I and Phase II appeals have been combined into a single proceeding before the ACA and will be heard in April 2026. On October 6, 2025, the AUC denied the application to review and vary the Phase II Decision.

Electricity Distribution and Natural Gas Distribution were the only utilities in Alberta to lower rates in 2023 due to efficiencies being passed onto customers. The after-the-fact requirement to track cost efficiencies at a granular level is inconsistent with PBR regulatory principles and past AUC positions. As Electricity Distribution and Natural Gas Distribution are appealing both the Phase I and Phase II Decisions of the PBR2 re-opener proceeding with the ACA, and the Company believes it will more likely than not succeed on appeal, no impact to Adjusted Earnings has been recognized in 2025 related to the PBR2 re-opener decisions.

Natural Gas Transmission

2026-2028 General Rate Application (GRA)

On September 22, 2025, ATCO Pipelines filed its GRA with the AUC to establish its revenue requirement for the 2026–2028 Test Period. The application seeks approval for revenue requirements of $381 million, $489 million and $680 million for the years 2026, 2027 and 2028, respectively. Increases over the test period are largely related to Yellowhead. ATCO Pipelines is requesting a deferral account to manage uncertainties for Yellowhead and measures to provide credit relief during the construction. The temporary credit relief includes three options to be considered: a temporary ROE adder of 1 per cent for 2026 and 2027, a temporary deemed equity thickness adder of 2 per cent for 2026 and 2027, and Construction Work in Progress to be included in rate base.

Yellowhead Pipeline Project

On August 21, 2025, the AUC issued a decision approving ATCO Pipelines' Need Assessment Application for Yellowhead. The decision confirms the requirement for approximately 235-kilometers of high-pressure pipeline from the Peers area to Fort Saskatchewan, with an expected in-service date in the fourth quarter of 2027. The selected alternative carries a current forecast capital cost of approximately $2.9 billion, a Class III estimate with an expected accuracy of +/-20 per cent, with costs and revenue requirements impact to be reviewed through the 2026-2028 GRA. A separate facility application was filed with the AUC on November 4, 2025, to address routing and environmental considerations prior to construction. In addition, we continue to pursue equity partnership arrangements with Indigenous partners.

ATCO EnPower

REVENUES

ATCO EnPower revenues of $59 million in the third quarter of 2025 were $7 million lower compared to the same period in 2024 mainly due to lower flow-through natural gas revenues, and lower generation at the Forty Mile wind facility, partially offset by stronger seasonal spreads in natural gas storage services and higher generation at the Veracruz hydro facility in Mexico.

ATCO EnPower revenues of $228 million in the first nine months of 2025 were $2 million higher compared to the same period in 2024 mainly due to stronger seasonal spreads in natural gas storage services, partially offset by lower flow-through natural gas revenues, and lower generation and lower capture pricing realized at the Forty Mile wind facility.

ADJUSTED EARNINGS

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Electricity Generation [1]	**2**	1	1	**(1)**	4	(5)
Storage & Industrial Water [1]	**7**	6	1	**22**	17	5
Total ATCO EnPower [2]	**9**	7	2	**21**	21	—

(1) Non-GAAP financial measures. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

(2) Total of segments measure. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

ATCO EnPower adjusted earnings of $9 million in the third quarter of 2025 were $2 million higher than the same period in 2024 mainly due to higher compensation related to turbine availability guarantees at the Forty Mile wind facility and higher generation at the Veracruz hydro facility in Mexico.

ATCO EnPower adjusted earnings of $21 million in the first nine months of 2025 were comparable to the same period in 2024.

Detailed information about the activities and financial results of ATCO EnPower's businesses is provided in the following sections.

Electricity Generation

Non-regulated electricity activities include the supply of electricity from solar, wind, hydroelectric, and distributed generation facilities in Canada, Mexico, and Chile.

Electricity Generation adjusted earnings in the third quarter of 2025 were $1 million higher compared to the same period in 2024 mainly due to higher compensation related to turbine availability guarantees at the Forty Mile wind facility and higher generation at the Veracruz hydro facility in Mexico.

Electricity Generation adjusted earnings in the first nine months of 2025 were $5 million lower compared to the same period in 2024 mainly due to lower compensation related to turbine availability guarantees at the Forty Mile wind facility and lower generation and capture pricing realized at the Forty Mile wind facility.

The following table compares ATCO EnPower's renewable portfolio performance in Canada for the third quarter and first nine months of 2025 and 2024.

	Three Months Ended September 30			Nine Months Ended September 30		
	2025	**2024**	**Change**	**2025**	**2024**	**Change**
Capacity Share [1] [2] ***(MW)***	**390**	367	23	**390**	367	23
Average Availability *(%)*	**96**	95	1	**96**	91	5
Generation *(MWh)*	**196,294**	229,565	(33,271)	**663,312**	706,397	(43,085)
Wind	**109,574**	136,747	(27,173)	**455,182**	514,605	(59,423)
Solar	**63,131**	63,689	(558)	**156,633**	145,929	10,704
Hydroelectric	**23,589**	29,129	(5,540)	**51,497**	45,863	5,634
% Merchant	**36**	33	3	**32**	27	5
% PPA	**64**	67	(3)	**68**	73	(5)
Average Realized Price *($/MWh)*	**68**	71	(3)	**72**	75	(3)

(1) Capacity share represents the percentage of nameplate capacity owned by ATCO EnPower, except in respect of the Deerfoot and Barlow solar facilities which are represented at 100 per cent because they are held by a controlled subsidiary.

(2) Capacity share increased by 23-MW as a result of completing a 23-MW uprate at the Forty Mile wind facility in the fourth quarter of 2024.

Wind generation for the third quarter and first nine months of 2025 was lower than the same periods in 2024, primarily at the Forty Mile facility, partially offset by improved performance at the Adelaide facility. Through the second and third quarters of 2025, the Forty Mile facility was affected by grid curtailments caused by transmission system congestion in the southeast portion of Alberta along with lower fleet capacity experienced in the same region. Solar generation in the first nine months of 2025 was higher than the same period in 2024 due to uprates achieved at the Barlow and Deerfoot facilities in the third

quarter of 2024 and improved availability at the Empress facility. We also saw improved generation in the first nine months of 2025 at our hydroelectric facility compared to the prior period, which was impacted by lower reservoir and river flow levels in the first and second quarters of 2024.

The average realized price related to the renewable portfolio decreased from an average of $71 per MWh and $75 per MWh in the third quarter and first nine months of 2024 to an average of $68 per MWh and $72 per MWh in the third quarter and first nine months of 2025. This is mainly due to a higher proportion of revenues exposed to merchant prices which have experienced declines from the comparable periods in 2024.

Storage & Industrial Water

Storage & Industrial Water provides non-regulated natural gas storage, natural gas liquids storage, and industrial water services in Alberta and energy services in the Northwest Territories.

Storage & Industrial Water adjusted earnings of $7 million in the third quarter of 2025 were comparable to the same period in 2024.

Storage & Industrial Water adjusted earnings of $22 million in the first nine months of 2025 were $5 million higher compared to the same period in 2024 mainly due to stronger seasonal spreads in natural gas storage services.

ATCO Australia

REVENUES

ATCO Australia revenues of $68 million and $185 million in the third quarter and first nine months of 2025 were $3 million and $5 million higher than the same periods in 2024 mainly due to increased rates in ATCO Gas Australia as a result of moving into AA6, partially offset by the revenues in 2024 from the South Australia Hydrogen Jobs Plan project in ATCO Power Australia.

ADJUSTED EARNINGS

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
ATCO Gas Australia [1]	**12**	9	3	**28**	22	6
ATCO Power Australia [1]	**2**	(1)	3	**4**	1	3
Total ATCO Australia [2]	**14**	8	6	**32**	23	9

(1) Non-GAAP financial measures. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

(2) Total of segments measure. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

ATCO Australia adjusted earnings of $14 million and $32 million in the third quarter and first nine months of 2025 were $6 million and $9 million higher than the same periods in 2024 mainly due to higher rates in ATCO Gas Australia as a result of moving into AA6, and ATCO Power Australia's execution of a settlement deed for the South Australia Hydrogen Jobs Plan project after the terms of the Early Contractor Involvement were agreed upon with the Department of Energy and Mining.

Detailed information about the activities and financial results of ATCO Australia's businesses is provided in the following sections.

ATCO Gas Australia

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

ATCO Gas Australia adjusted earnings of $12 million and $28 million in the third quarter and first nine months of 2025 were $3 million and $6 million higher than the same periods in 2024 mainly due to higher rates as a result of moving into AA6.

ATCO Power Australia

ATCO Power Australia develops, builds, owns and operates energy and infrastructure assets, including the two natural gas fired generation plants: Karratha in the Pilbara region of Western Australia, and Osborne in Adelaide, South Australia.

ATCO Power Australia adjusted earnings of $2 million and $4 million in the third quarter and first nine months of 2025 were $3 million higher than the same periods in 2024 mainly due to execution of a settlement deed for the South Australia Hydrogen Jobs Plan project after the terms of the Early Contractor Involvement were agreed upon with the Department of Energy and Mining.

Canadian Utilities Financing & Other

Canadian Utilities Financing & Other includes CU Inc. and Canadian Utilities preferred share dividends and financing expenses.

REVENUES

Including intersegment eliminations, Canadian Utilities Financing & Other revenues of $2 million and $9 million in the third quarter and first nine months of 2025 were $24 million and $103 million lower compared to the same periods in 2024 mainly due to the decreased revenue contribution from ATCO Energy which was acquired by ATCO on August 1, 2024.

ADJUSTED EARNINGS

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Canadian Utilities Financing & Other [1]	**(18)**	(11)	(7)	**(45)**	(35)	(10)

(1) Total of segments measure. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

Including intersegment eliminations, Canadian Utilities Financing & Other adjusted earnings in the third quarter and first nine months of 2025 were $7 million and $10 million lower compared to the same periods in 2024 mainly due to lower interest income earned, the timing of certain expenses, and decreased earnings contribution from ATCO Energy, which was transferred to ATCO on August 1, 2024.

RECENT DEVELOPMENTS

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

POLICY AND REGULATORY UPDATES

We constructively work with all levels of government to advocate for enabling policy and regulation, and to identify barriers that impede cost-effective, economy-wide solutions. We participate in a wide number of discussions, and the following are examples of where we focus our efforts on policies or regulations most relevant to our existing or planned projects.

CANADA

Major Projects Office

On August 29, 2025, the Federal government announced the launch of the Major Projects Office (MPO). Established through the *Building Canada Act*, which came into force on June 26, 2025, the MPO is expected to support the advancement of the federal government's nation-building projects. The MPO will be headquartered in Calgary with offices expected to be opened in other major Canadian cities. Its mandate will include streamlining and accelerating regulatory approval processes to ensure projects are approved within a two-year time frame, as well as helping to structure and coordinate financing of these projects as needed. The MPO will work to attract domestic and global capital to these major projects by helping coordinate financing from the private sector, provincial and territorial partners, and government initiatives, including the Canada Infrastructure Bank, the Canada Growth Fund, and the Indigenous Loan Guarantee Program. Dawn Farrell was appointed as Chief Executive Officer of the MPO.

On September 11, 2025, the first tranche of projects (five projects) was announced by the MPO. These five nation-building projects are meant to be fast-tracked through the regulatory process. A second tranche of projects is also currently under consideration by the MPO and is expected to be announced later this year.

Build Canada Homes

On September 14, 2025, the Federal government launched Build Canada Homes (BCH) – a new federal agency that will build affordable housing at scale. BCH will help fight homelessness by building transitional and supportive housing – working with provinces, territories, municipalities, and Indigenous communities. It will build affordable community housing for low-income households, and partner with private market developers to build affordable homes for the Canadian middle class.

The agency launched with an initial capitalization of $13 billion, enabling financing, providing land, and helping builders get big projects off the ground. BCH plans to de-risk projects by using flexible financial incentives, approving large portfolio projects, and leveraging public land to lower costs. This allows private developers to focus on construction, while the agency also prioritizes modern construction methods like modular and pre-fabricated units. Below is the stated mandate of the BCH:

- Grow the proportion of housing that is non-market, mission driven and that produces housing that is affordable for low- and middle-income households.
- Help create the conditions for a high-capacity, growth oriented non-market housing sector that can scale, built on new and innovative partnerships with reduced reliance on ongoing government subsidies.
- Generate long-term, predictable demand for Canadian factory-built housing, allowing the industry to scale, and for the time and cost of home construction in Canada to go down.

ALBERTA

Final Restructured Energy Market (REM) Design

On August 27, 2025, the Alberta Electric System Operator (AESO) published the complete REM framework after two years of stakeholder engagement and government direction (summer 2023–2025). This final redesign impacts Alberta's existing energy-only electricity market and includes locational marginal pricing, ramping reserves, scarcity pricing, and cost-sharing for system needs. Stakeholder consultations on Independent System Operator rules and implementation begin fall 2025, targeting a mid-2027 rollout.

Technology Innovation and Emissions Reduction (TIER) System Amendments

On September 16, 2025, the Alberta Ministry of Environment and Protected Areas announced proposed amendments to the TIER system. These amendments come after the Alberta government freezing the industrial carbon price at $95 per tonne in May 2025 followed by stakeholder consultations held in June 2025. These changes aim to enhance competitiveness for large industrial emitters, address evolving federal regulations, and support Alberta's emissions reduction goals while addressing economic pressures, such as US tariffs on Canadian energy. These amendments are set to be formalized in the fall of 2025. Key details of the proposed amendments include:

- **Opt-Out Option for Smaller Facilities** – Smaller facilities that voluntarily opted into the TIER system can now opt out for 2025 to reduce compliance costs and regulatory requirements.
- **New Direct Investment Pathway for Compliance** – On-site emissions reduction investments will be recognized as a new way for entities to meet their compliance obligations. The announcement does not provide much detail in respect of how such investments will be recognized. More information on this compliance pathway will be forthcoming.

SUSTAINABILITY

Within our group of companies, our guiding principle is to deliver long-term value to our customers, share owners, and other stakeholders through sustainable growth. This requires more than strong financial performance – it requires integrating financial and environmental, social and governance (ESG) considerations into our strategy and anticipating the evolving needs and expectations of society and our customers.

For decades, our commitment to these principles has guided investments in critical energy infrastructure, created ambitious and transformative partnerships with Indigenous communities, and supported the growth and prosperity of the hundreds of communities we are privileged to serve. We continue to pursue growth by investing in regulated utilities, modular construction and manufactured housing, and clean technologies including carbon capture, hydrogen, renewable power, and electrification.

Our priority is scalable projects that deliver measurable impacts today while laying the groundwork for long-term transformation.

When we disclosed our 2050 net-zero ambition in our 2021 Sustainability Report, we recognized it would require unprecedented, coordinated action across industries, policy, and markets. However, recent shifts—including regulatory and policy changes, legal liability concerns, and macroeconomic pressures—have introduced uncertainty regarding the feasibility, timing, and pathways for achieving net-zero by the middle of this century. While our commitment to enabling the energy transition remains strong, we continue to review our 2050 net-zero ambition and the key dependencies influencing the pace of transition. Our 2025 Sustainability Report will be published in May of 2026.

The 2024 Sustainability Report, ESG Datasheet, materiality assessment, 2024 highlights, and other disclosures are available on our website at www.atco.com.

OTHER EXPENSES AND INCOME

A financial summary of other consolidated expenses and income items for the third quarter and first nine months of 2025 and 2024 is given below. These amounts are presented in accordance with IFRS accounting standards. They have not been adjusted for the timing of revenues and expenses associated with rate-regulated activities and other items that are not in the normal course of business.

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Operating costs	**687**	641	46	**2,146**	2,020	126
Depreciation and amortization	**213**	202	11	**633**	602	31
Earnings from investment in associate company	**8**	7	1	**23**	18	5
Earnings from investment in joint ventures	**19**	17	2	**59**	54	5
Net finance costs	**123**	116	7	**359**	341	18
Income tax expense	**43**	35	8	**152**	145	7

OPERATING COSTS

Operating costs, which are total costs and expenses less depreciation and amortization, increased by $46 million and $126 million in the third quarter and first nine months of 2025 compared to the same periods in 2024. Higher operating costs were mainly due to increased material costs due to higher project activity in ATCO Structures, lower unrealized and realized gains on derivative financial instruments in ATCO Energy, higher flow-through expense in Natural Gas Distribution for third-party franchise and transmission fees, and the recognition of transition costs related to activities to shift the managed information technology (IT) services from a single-vendor service provider to a hybrid model of multiple new vendors and internal teams. Increased costs were partially offset by lower prices for retail electricity in ATCO Energy, and higher restructuring costs incurred in the second quarter of 2024.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased by $11 million and $31 million in the third quarter and first nine months of 2025 compared to the same periods in 2024 mainly due to ongoing capital investment in the Regulated Utilities, and ATCO Structures' increase in global rental fleet assets.

EARNINGS FROM INVESTMENT IN ASSOCIATE COMPANY

Earnings from investment in associate company relate to our 40 per cent ownership interest in Neltume Ports, a port operator and developer with a diversified portfolio of 17 multi-purpose, bulk cargo and container port facilities and 5 port operation services. The business is located primarily in Chile with additional operations in Uruguay, Argentina, Brazil and the US.

Earnings from investment in associate company in the third quarter and first nine months of 2025 were $1 million and $5 million higher than the same periods in 2024 mainly due to favourable cargo mix and improved margins across operations within the portfolio of ports, and an additional nonrecurring service which contributed to earnings in the third quarter of 2025.

EARNINGS FROM INVESTMENT IN JOINT VENTURES

Earnings from investment in joint ventures is mainly comprised of Canadian Utilities' ownership positions in electricity generation plants; electricity operations in the Northwest Territories including Naka Power Utilities (NWT) and Naka Power Utilities (Yellowknife); LUMA Energy electricity operations and maintenance in Puerto Rico; and the Strathcona Storage Limited Partnership, which operates hydrocarbon storage facilities at the ATCO Heartland Energy Centre near Fort Saskatchewan, Alberta.

Earnings from investment in joint ventures in the third quarter and first nine months of 2025 were $2 million and $5 million higher than the same periods in 2024 mainly due to favourable foreign exchange rates and higher management fees as a result of inflation adjustments for LUMA Energy, and additional earnings from the Polar Over-the-Horizon Radar project and realized operating efficiencies within ATCO Frontec's joint ventures.

NET FINANCE COSTS

Net finance costs increased by $7 million and $18 million in the third quarter and first nine months of 2025 compared to the same periods in 2024 mainly due to lower interest income primarily resulting from lower interest rates in 2025 on cash investments.

INCOME TAX EXPENSE

Income taxes were higher by $8 million and $7 million in the third quarter and first nine months of 2025 compared to the same periods in 2024 mainly due to higher IFRS earnings before income taxes, partially offset by investment tax credits and previously unrecognized deferred income taxes.

LIQUIDITY AND CAPITAL RESOURCES

Our financial position is supported by our diversified portfolio with a structured foundation of regulated and long-term contracted businesses. Our business strategies, funding of operations, and planned future growth are supported by maintaining strong investment grade credit ratings and access to capital markets at competitive rates. Primary sources of capital are cash flows from operations and capital markets. Liquidity is generated by cash flows from operations and is supported by appropriate levels of cash and available committed credit facilities.

CREDIT RATINGS

The following table shows the credit ratings assigned to ATCO, Canadian Utilities, CU Inc. and ATCO Gas Australia Pty Ltd (ATCO Gas Australia) at September 30, 2025.

	DBRS	Fitch
ATCO		
Issuer	A (low)	BBB+
Canadian Utilities		
Issuer	A	A-
Senior unsecured debt	A	A-
Commercial paper	R-1 (low)	F2
Preferred shares	PFD-2	BBB
CU Inc.		
Issuer	A (high)	A-
Senior unsecured debt	A (high)	A
Commercial paper	R-1 (low)	F2
Preferred shares	PFD-2 (high)	BBB+
S&P Global Ratings has assigned Canadian Utilities' subsidiary ATCO Gas Australia [1] a BBB+ issuer and senior unsecured debt credit rating with a positive outlook.		

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

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

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

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

LINES OF CREDIT

At September 30, 2025, ATCO and its subsidiaries had the following lines of credit.

($ millions)	Total	Used	Available
Long-term committed	**3,723**	1,078	2,645
Uncommitted	**715**	225	490
Total	**4,438**	1,303	3,135

Of the $4,438 million in total lines of credit, $715 million was in the form of uncommitted credit facilities with no set maturity date. The other $3,723 million in credit lines was committed with maturities between 2026 and 2028, and may be extended at the option of the lenders.

Of the $1,303 million in lines of credit used, $661 million was related to ATCO Gas Australia. Long-term committed credit lines are used to satisfy all of ATCO Gas Australia's term debt financing needs. The majority of the remaining usage is related to the funding needs in ATCO EnPower, the issuance of Canadian Utilities' letters of credit, and ATCO Structures & Logistics' expansion of its global rental fleet and working capital needs on workforce housing projects.

CONSOLIDATED CASH FLOWS

At September 30, 2025, the Company's cash position was $902 million. This represents an increase of $630 million compared to the cash position at September 30, 2024. Cash movements for the third quarter and first nine months of 2025 and 2024 are outlined in the following table:

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	2025	2024	Change	2025	2024	Change
Cash position, beginning of period	**191**	30	161	**94**	288	(194)
Cash from (used in):						
Operating activities	**552**	462	90	**1,822**	1,580	242
Investing activities	**(462)**	(485)	23	**(1,339)**	(1,207)	(132)
Financing activities	**619**	263	356	**319**	(390)	709
Foreign currency translation	**2**	2	—	**6**	1	5
Cash position, end of the period	**902**	272	630	**902**	272	630

The opening cash position of $191 million in the third quarter of 2025 was $161 million higher compared to the opening cash position for the third quarter of 2024 mainly due to the timing of debt issuances.

The opening cash position of $94 million in the first nine months of 2025 was $194 million lower compared to the opening cash position for the first nine months of 2024 mainly due to repayment of long-term debt, and funding of capital projects.

Operating Activities

Cash flows from operating activities were $552 million and $1,822 million in the third quarter and first nine months of 2025, $90 million and $242 million higher than the same periods in 2024 mainly due to the timing of settlement of accounts payable and the collection of trade receivables from customers, and increased customer contributions in the Regulated Utilities.

Investing Activities

Cash flows used in investing activities were $462 million in the third quarter of 2025, $23 million lower than the same period in 2024 due to ATCO Structures' acquisition of NRB in the third quarter of 2024, partially offset by the timing of settlement of accounts payable for capital projects.

Cash flows used in investing activities were $1,339 million in the first nine months of 2025, $132 million higher than the same period in 2024 mainly due to increased capital expenditures related to ongoing system upgrades and growth projects for new customers in the Regulated Utilities, capital spending on rental fleet additions in ATCO Structures, and ongoing development projects in ATCO EnPower. Increases in the first nine months of 2025 were partially offset by ATCO Structures' acquisition of NRB in the third quarter of 2024 and the timing of settlement of accounts payable for capital projects.

A reconciliation of capital investment to capital expenditures is summarized below.

Cash Used for Capital Investment and Capital Expenditures

Capital investment and capital expenditures for the third quarter and first nine months of 2025 and 2024 are shown in the following table.

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
ATCO Structures & Logistics	**57**	51	6	**160**	120	40
ATCO Investments	**8**	8	—	**22**	13	9
	65	59	6	**182**	133	49
Canadian Utilities						
ATCO Energy Systems						
Electricity	**170**	195	(25)	**507**	492	15
Natural Gas	**188**	169	19	**534**	436	98
	358	364	(6)	**1,041**	928	113
ATCO EnPower	**17**	24	(7)	**62**	53	9
ATCO Australia	**25**	25	—	**70**	63	7
CU Financing & Other	**2**	1	1	**12**	8	4
Canadian Utilities Total Capital Expenditures [1] [2]	**402**	414	(12)	**1,185**	1,052	133
ATCO Total Capital Expenditures	**467**	473	(6)	**1,367**	1,185	182
Capital Expenditures in joint ventures						
ATCO Energy Systems						
Electricity	**1**	2	(1)	**2**	3	(1)
ATCO EnPower	**2**	—	2	**4**	2	2
Business Combinations						
ATCO Structures & Logistics	**—**	40	(40)	**3**	40	(37)
CU Financing & Other	**—**	4	(4)	**—**	4	(4)
Canadian Utilities Total Capital Investment [3]	**405**	420	(15)	**1,191**	1,061	130
ATCO Total Capital Investment [3]	**470**	519	(49)	**1,376**	1,234	142

(1) Includes additions to property, plant and equipment, and intangibles as well as $10 million and $23 million (2024 - $5 million and $12 million) of capitalized interest during construction for the third quarter and first nine months of 2025.

(2) Includes $29 million and $97 million for the third quarter and first nine months of 2025 (2024 - $20 million and $81 million) of capital expenditures, mainly in ATCO Energy Systems, that were funded with the assistance of customer contributions and government grants.

(3) Non-GAAP financial measure. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Capital Investment to Capital Expenditures" in this MD&A.

Total capital investment of $470 million in the third quarter of 2025 was $49 million lower compared to the same period in 2024 mainly due to timing of capital project spend in Electricity Distribution and Electricity Transmission, decreased capital spend in ATCO EnPower, and ATCO Structures' acquisition of NRB in the third quarter of 2024. Lower capital investment was partially offset by increased spending related to ongoing system upgrades and growth projects in the Regulated Utilities, including Yellowhead in Natural Gas Transmission and CETO in Electricity Transmission, and increased capital spending on rental fleet additions in ATCO Structures.

Total capital investment of $1,376 million in the first nine months of 2025 was $142 million higher compared to the same period in 2024 mainly due to increased spending related to ongoing system upgrades and growth projects in the Regulated Utilities, including Yellowhead in Natural Gas Transmission and CETO in Electricity Transmission, increased capital spending on rental fleet additions, largely in the US, in ATCO Structures, and the Atlas Carbon Storage Hub project in ATCO EnPower. This was partially offset by ATCO Structures' acquisition of NRB in the third quarter of 2024.

Total capital expenditures of $467 million in the third quarter of 2025 and $1,367 million in the first nine months of 2025 were $6 million lower and $182 million higher, respectively, compared to the same periods in 2024 mainly due to the factors outlined above, with the exception of the NRB acquisition. Capital expenditures in joint ventures and business combinations are excluded from capital expenditures.

Financing Activities

Cash flows from financing activities were $619 million and $319 million in the third quarter and first nine months of 2025, $356 million and $709 million higher compared to the same periods in 2024 mainly due to increased debt issuances related to growth projects for new customers in the Regulated Utilities and other project activities, partially offset by higher repayments of debt.

Information pertaining to financing activities is summarized below.

Debt Issuances

In September 2025, Canadian Utilities issued $750 million of 5.45 per cent fixed-to-fixed rate subordinated notes due December 22, 2055. The proceeds from the issuance will be used to finance capital expenditures, repay or refinance existing obligations, and for other general corporate purposes.

In September 2025, Canadian Utilities' subsidiary CU Inc. issued $370 million of 4.787 per cent debentures maturing on September 16, 2055. The proceeds from the issuance will be used to finance capital expenditures, repay existing indebtedness, and for other general corporate purposes.

Debt Repayment

In September 2025, Electricidad del Golfo, S. de R.L. de C.V., an indirect wholly owned subsidiary of Canadian Utilities, fully repaid the outstanding balance of $25 million ($335 million Mexican pesos) from its non-revolving credit facility, which was scheduled to mature on November 21, 2025.

Dividends and Common Shares

We have increased our common share dividend each year since 1993, a 32-year track record. Dividends paid to Class I Share and Class II Share owners totalled $57 million and $170 million in the third quarter and first nine months of 2025.

On October 9, 2025, the Board of Directors declared a second quarter dividend of 50.45 cents per share. The payment of any dividend is at the discretion of the Board of Directors and depends on our financial condition and other factors.

Normal Course Issuer Bid (NCIB)

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

On March 13, 2025, ATCO commenced an NCIB to purchase up to 1,996,301 outstanding Class I Shares. The bid will expire on March 12, 2026. As of November 5, 2025, 513,500 Class I Shares were purchased for approximately $26 million.

Base Shelf Prospectus - Canadian Utilities

On September 14, 2023, Canadian Utilities filed a short-form base shelf prospectus that permits it to issue Class A non-voting shares, preferred shares and debt securities, over the 25-month life of the prospectus. As of October 14, 2025, when the prospectus expired, no securities had been issued.

Redemption of Preferred Shares

Subsequent to quarter-end, on October 15, 2025, Canadian Utilities issued notice of its intent to redeem all of its outstanding Cumulative Redeemable Second Preferred Shares Series FF at a price of $25.00 per share less any tax required to be deducted or withheld by the Company on December 1, 2025. The $250 million aggregate cost of redemption will be funded from available cash.

SHARE CAPITAL

ATCO's equity securities consist of Class I Shares and Class II Shares.

At November 5, 2025, we had outstanding 99,678,766 Class I Shares, 12,424,987 Class II Shares, and options to purchase 3,153,475 Class I Shares.

Proposed Plan of Arrangement

On October 29, 2025, ATCO announced that it has determined to make an exchange proposal to the holders of Class II Shares, other than Sentgraf Enterprises Ltd. (the "Controlling Class II Share Owner"). Subject to the approval of the holders of Class II Shares, the transaction will be effected by way of a plan of arrangement (the "Arrangement").

Under the terms of the Arrangement, each Class II Share held by a Class II Share Owner, other than the Controlling Class II Share Owner, will be exchanged for 1.15 Class I Shares of ATCO. In addition to the required approvals of the Class II Share Owners, closing of the Arrangement is also subject to obtaining approval of the Court of King's Bench of Alberta and the Toronto Stock Exchange, as well as other customary closing conditions.

If all approvals are received and other closing conditions are satisfied, the Arrangement is expected to be completed in the fourth quarter of 2025.

CLASS I NON-VOTING SHARES AND CLASS II VOTING SHARES

Each Class II Share may be converted into one Class I Share at any time at the share owner's option. If an offer to purchase all Class II Shares is made, and such offer is accepted and taken up by the owners of a majority of the Class II Shares, and, if at the same time, an offer is not made to the Class I Share owners on the same terms and conditions, then the Class I Shares will be entitled to the same voting rights as the Class II Shares. The two share classes rank equally in all other respects, except for voting rights.

Of the 10,200,000 Class I Shares authorized for grant of options under our stock option plan, 6,569,150 Class I Shares were available for issuance at September 30, 2025. Options may be granted to officers and key employees of the Company and its subsidiaries at an exercise price equal to the weighted average of the trading price of the shares on the Toronto Stock Exchange 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.

QUARTERLY INFORMATION

The following table shows financial information for the eight quarters ended December 31, 2023 through September 30, 2025.

($ millions, except for per share data)	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Revenues	1,390	1,411	1,158	**1,184**
Earnings attributable to Class I and Class II Shares	138	144	64	**85**
Earnings per Class I and Class II Share *($)*	1.23	1.28	0.57	**0.76**
Diluted earnings per Class I and Class II Share *($)*	1.23	1.28	0.57	**0.75**
Adjusted earnings per Class I and Class II Share *($)* [1]	1.30	1.43	0.90	**0.92**
Adjusted earnings (loss) [2]				
ATCO Structures & Logistics [2]	24	27	32	**32**
ATCO Investments [2]	15	11	6	**13**
Canadian Utilities [2]				
ATCO Energy Systems [2]	109	122	60	**53**
ATCO EnPower [2]	2	6	6	**9**
ATCO Australia [2]	2	7	11	**14**
Canadian Utilities Financing & Other [2]	(6)	(13)	(14)	**(18)**
Total adjusted earnings [2]	146	160	101	**103**

($ millions, except for per share data)	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Revenues	1,221	1,324	1,112	1,116
Earnings attributable to Class I and Class II Shares	95	147	52	93
Earnings per Class I and Class II Share *($)*	0.85	1.31	0.46	0.83
Diluted earnings per Class I and Class II Share *($)*	0.85	1.31	0.46	0.83
Adjusted earnings per Class I and Class II Share *($)* [1]	1.13	1.32	0.86	0.81
Adjusted earnings (loss) [2]				
ATCO Structures & Logistics [2]	14	25	29	26
ATCO Investments [2]	11	5	5	12
Canadian Utilities [2]				
ATCO Energy Systems [2]	94	116	59	49
ATCO EnPower [2]	8	4	10	7
ATCO Australia [2]	6	6	9	8
Canadian Utilities Financing & Other [2]	(6)	(8)	(16)	(11)
Total adjusted earnings [2]	127	148	96	91

(1) Non-GAAP ratio. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

(2) Total of segments measures. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

Our financial results for the previous eight quarters reflect the cyclical demand for workforce housing and seasonality with our space rental products and services in ATCO Structures and ATCO Frontec, cargo volumes and margins at Neltume Ports, and in Canadian Utilities, the timing of utility regulatory decisions, and the seasonal nature of demand for natural gas and electricity.

ADJUSTED EARNINGS

Adjusted earnings in the fourth quarter of 2024 were higher compared to the same period in 2023 mainly due to ATCO Structures' strong base business performance driven by increased space rentals activity in most geographies and improved workforce housing trade sale performance in Canada, the US and Australia, ATCO Energy Systems' growth in rate base and an increase in ROE, and stronger seasonal spreads in natural gas storage services at ATCO EnPower. Higher adjusted earnings were partially offset by lower realized pricing at the renewable facilities and a non-recurring recovery received in the fourth quarter of 2023 in ATCO EnPower's Storage & Industrial Water business, and the impact of inflation indexing in ATCO Australia.

Adjusted earnings in the first quarter of 2025 were higher compared to the same period in 2024 mainly due to ATCO Structures' strong base business performance driven by increased workforce housing sale activity in Australia and improved space rentals fleet performance in most geographies, growth in rate base in ATCO Energy Systems' businesses, and stronger seasonal spreads in natural gas storage services at ATCO EnPower. Higher earnings were partially offset by a decrease in 2025 ROE in ATCO Energy Systems, and completion of ECM funding in 2024 for Electricity Distribution and Natural Gas Distribution.

Adjusted earnings in the second quarter of 2025 were higher compared to the same period in 2024 mainly due to ATCO Structures' increased permanent modular construction activity in Canada and strong base business performance driven by increased workforce housing sale activity in Australia and Chile, growth in rate base in ATCO Energy Systems' businesses, higher rates in ATCO Gas Australia as a result of moving into AA6, and stronger seasonal spreads in natural gas storage services at ATCO EnPower. Higher earnings were partially offset by a decrease in 2025 ROE in ATCO Energy Systems, completion of ECM funding in 2024 for Electricity Distribution and Natural Gas Distribution, and lower compensation related to turbine availability guarantees at ATCO EnPower's Forty Mile wind facility.

Adjusted earnings in the third quarter of 2025 were higher compared to the same period in 2024 mainly due to ATCO Frontec's realized operating efficiencies, ATCO Structures' increased space rental sale and leasing activity in Canada and the US and permanent modular construction activity in Canada, growth in rate base in ATCO Energy Systems' businesses, and higher rates in ATCO Gas Australia as a result of moving into AA6. Higher earnings were partially offset by a decrease in 2025 ROE in ATCO Energy Systems, and completion of ECM funding in 2024 for Electricity Distribution and Natural Gas Distribution. Additionally, higher earnings were partially offset by lower interest income earned, the timing of certain expenses, and decreased earnings contribution from ATCO Energy, which was transferred to ATCO on August 1, 2024.

EARNINGS ATTRIBUTABLE TO CLASS I AND CLASS II SHARES

Earnings attributable to Class I and Class II Shares include timing adjustments related to rate-regulated activities and unrealized gains or losses on mark-to-market forward and swap commodity contracts. They also include one-time gains and losses, impairments, and other items that are not in the normal course of business or a result of day-to-day operations recorded at various times over the past eight quarters. These items are excluded from adjusted earnings and are highlighted below:

- In the fourth quarter of 2023, the Company recognized an impairment of $19 million (after-tax and non-controlling interests) mainly related to certain computer software assets which are not expected to be used in the Company.
- In the fourth quarter of 2023, the Company accrued income taxes and interest of $15 million relating to the 2009-2016 reassessment notices received from the Portuguese Tax Authority.
- In 2024, the Company recorded restructuring costs of $23 million (after-tax and non-controlling interests) in the second quarter, $6 million (after-tax and non-controlling interests) in the third quarter, and $4 million (after-tax and non-controlling interests) in the fourth quarter, mainly related to staff reductions and associated severance costs.
- In the second quarter of 2024, the Company recorded a $4 million (after-tax and non-controlling interests) reduction to earnings related to an AUC enforcement decision on two historical matters the Electric Transmission business had self-reported to AUC Enforcement staff.
- In the third quarter of 2024, the transfer of ownership of ATCO Energy from Canadian Utilities to ATCO was completed. Canadian Utilities recorded a loss of $14 million ($7 million after non-controlling interests) which is eliminated on consolidation with ATCO.
- In the first quarter of 2025, the Company recorded restructuring costs of $8 million (after-tax and non-controlling interests) mainly related to staff reductions and associated severance costs.
- In the first, second and third quarters of 2025, the Company recognized IT transition costs of $5 million (after-tax and non-controlling interests), $3 million (after-tax and non-controlling interests), and $1 million (after-tax and non-controlling interests), respectively. The transition costs were primarily related to activities to shift the managed IT services from a single-vendor service provider to a hybrid model of multiple new vendors and internal teams.

OTHER FINANCIAL AND NON-GAAP MEASURES

This MD&A should be read with the Company's unaudited interim consolidated financial statements for the nine months ended September 30, 2025. The unaudited interim consolidated financial statements are prepared according to International Accounting Standard (IAS) 34 Interim Financial Reporting using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (IFRS Accounting Standards).

This MD&A contains various "total of segments measures", "non-GAAP financial measures", and "non-GAAP ratios" (as such terms are defined in NI 52-112), which are described in further detail below.

TOTAL OF SEGMENTS MEASURES

NI 52-112 defines a "total of segments measure" as a financial measure disclosed by an issuer that (a) is a subtotal or total of two or more reportable segments of an entity, (b) is not a component of a line item disclosed in the primary financial statements of the entity, (c) is disclosed in the notes to the financial statements of the entity, and (d) is not disclosed in the primary financial statements of the entity.

Consolidated adjusted earnings (loss) and adjusted earnings (loss) for each of ATCO Structures & Logistics, ATCO Investments, Canadian Utilities Limited, ATCO Energy Systems, ATCO EnPower, ATCO Australia, and Canadian Utilities Financing & Other are total of segments measures, as defined in NI 52-112.

Total of segments measures are most directly comparable to total earnings (loss) attributable to Class I and Class II Shares. Comparable total of segments measures for the same periods in 2024 have been calculated using the same composition and are disclosed alongside the current total of segments measures in this MD&A. A reconciliation of the total of segments measures with total earnings (loss) attributable to Class I and Class II Shares is presented in this MD&A.

NON-GAAP FINANCIAL MEASURES

NI 52-112 defines a "non-GAAP financial measure" as a financial measure disclosed by an issuer that (a) depicts the historical or expected future financial performance, financial position or cash flows of an entity, (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) is not disclosed in the financial statements of the entity, and (d) is not a ratio, fraction, percentage or similar representation.

Capital investment, adjusted earnings (loss) for each of ATCO Structures, ATCO Frontec, Other Investments, Total Investments, ATCO Corporate & Other, Electricity Distribution, Electricity Transmission, International Electricity Operations, Total Electricity, Natural Gas Distribution, Natural Gas Transmission, Total Natural Gas, Electricity Generation, Storage & Industrial Water, ATCO Gas Australia, and ATCO Power Australia, and adjusted EBITDA for ATCO Structures and ATCO EnPower are non-GAAP financial measures, as defined in NI 52-112.

Adjusted earnings (loss) are defined as earnings (loss) attributable to Class I and Class II Shares after adjusting for the timing of revenues and expenses associated with rate-regulated activities and unrealized gains or losses on mark-to-market forward and swap commodity contracts. Adjusted earnings (loss) also exclude one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations.

Adjusted earnings (loss) present earnings (loss) from rate-regulated activities on the same basis as was considered prior to adopting IFRS Accounting Standards – that basis being the US accounting principles taking into account a more likely than not recognition threshold for rate regulated activities. Adjusted earnings (loss) are presented in Note 3 of the unaudited interim consolidated financial statements.

Adjusted earnings (loss) are most directly comparable to earnings (loss) attributable to Class I and Class II Shares but is not a standardized financial measure under the reporting framework used to prepare our financial statements. Adjusted earnings (loss) may not be comparable to similar financial measures disclosed by other issuers. Management's view is that adjusted earnings (loss) are a key measure of segment earnings (loss) that are used to assess segment performance and allocate resources and allow for a more effective analysis of operating performance and trends. For investors, adjusted earnings (loss) may provide value as they exclude items that are not in the normal course of business and, as such, provide insight as to

earnings (loss) resulting from the issuer's usual course of business. A reconciliation of adjusted earnings (loss) to earnings (loss) attributable to Class I and Class II Shares is presented in this MD&A.

Capital investment is a non-GAAP financial measure defined as cash used for capital expenditures, business combinations, and cash used in the Company's share of capital expenditures in joint ventures. Capital expenditures include additions to property, plant and equipment and intangibles as well as interest capitalized during construction. Capital investment is most directly comparable to capital expenditures. Capital investment is not a standardized financial measure under the reporting framework used to prepare our financial statements. Capital investment may not be comparable to similar financial measures disclosed by other issuers. Management views capital investment as the Company's total cash investment in assets. For investors, capital investment is useful because it identifies how much cash is being used to acquire and invest in assets. A reconciliation of capital investments to capital expenditures is presented in this MD&A.

Further information regarding adjusted EBITDA, including a reconciliation of adjusted EBITDA to adjusted earnings for ATCO Structures and ATCO EnPower, is presented in Appendix 1: Supplemental Non-Audited Financial Information to this MD&A.

NON-GAAP RATIO

NI 52-112 defines a "non-GAAP ratio" as a financial measure disclosed by an issuer that (a) is in the form of a ratio, fraction, percentage or similar representation, (b) has a non-GAAP financial measure as one or more of its components, and (c) is not disclosed in the financial statements of the entity.

Adjusted earnings ($ per share) is a non-GAAP ratio, as defined in NI 52-112. Adjusted earnings (loss) per Class I and Class II Share are calculated by dividing adjusted earnings (loss) by the weighted average number of shares outstanding for the period.

RECONCILIATION OF ADJUSTED EARNINGS TO EARNINGS ATTRIBUTABLE TO CLASS I AND CLASS II SHARES

Adjusted earnings (loss) are earnings (loss) attributable to Class I and Class II Shares after adjusting for the timing of revenues and expenses associated with rate-regulated activities and unrealized gains or losses on mark-to-market forward and swap commodity contracts. Adjusted earnings (loss) also exclude one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations.

Adjusted earnings (loss) are a key measure of segment earnings (loss) that management uses to assess segment performance and allocate resources. It is management's view that adjusted earnings (loss) allow a better assessment of the economics of rate regulation in Canada and Australia than IFRS earnings (loss). Additional information regarding this measure is provided in the "Other Financial and Non-GAAP Measures" section of this MD&A.

The following tables reconcile adjusted earnings (loss) to the directly comparable financial measure, earnings (loss) attributable to Class I and Class II shares.

($ millions)

Three Months Ended September 30

2025 2024	**ATCO Ltd.**							
			Canadian Utilities Limited					
	ATCO Structures & Logistics	**ATCO Investments**	**ATCO Energy Systems**	**ATCO EnPower**	**ATCO Australia**	**CU Financing & Other**	**Consolidated**	**ATCO Consolidated**
Revenues	**337**	**55**	**663**	**59**	**68**	**2**	**792**	**1,184**
	276	30	653	66	65	26	810	1,116
Adjusted earnings (loss)	**32**	**13**	**53**	**9**	**14**	**(18)**	**58**	**103**
	26	12	49	7	8	(11)	53	91
Restructuring	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	(6)	—	—	—	—	—	—	(6)
Transition of managed IT services	**—**	**—**	**(1)**	**—**	**—**	**—**	**(1)**	**(1)**
	—	—	—	—	—	—	—	—
Unrealized (losses) gains on mark-to-market forward and swap commodity contracts	**—**	**(1)**	**—**	**—**	**—**	**—**	**—**	**(1)**
	—	12	—	—	—	(1)	(1)	11
Rate-regulated activities	**—**	**—**	**(8)**	**—**	**(5)**	**—**	**(13)**	**(13)**
	—	—	(4)	—	(3)	—	(7)	(7)
IT Common Matters decision	**—**	**—**	**(1)**	**—**	**—**	**—**	**(1)**	**(1)**
	—	—	(3)	—	—	—	(3)	(3)
Other [1]	**—**	**(2)**	**—**	**—**	**—**	**—**	**—**	**(2)**
	—	14	—	—	—	(7)	(7)	7
Earnings (loss) attributable to Class I and Class II Shares	**32**	**10**	**43**	**9**	**9**	**(18)**	**43**	**85**
	20	38	42	7	5	(19)	35	93

(1) The 2024 transfer of ownership of ATCO Energy from Canadian Utilities to ATCO. Canadian Utilities recorded a loss of $14 million ($7 million after non-controlling interests) which is eliminated on consolidation with ATCO.

($ millions)

	Nine Months Ended September 30							
2025	**ATCO Ltd.**							
2024			**Canadian Utilities Limited**					**ATCO Consolidated**
	ATCO Structures & Logistics	**ATCO Investments**	**ATCO Energy Systems**	**ATCO EnPower**	**ATCO Australia**	**CU Financing & Other**	**Consolidated**	
Revenues	**901**	**133**	**2,297**	**228**	**185**	**9**	**2,719**	**3,753**
	747	44	2,243	226	180	112	2,761	3,552
Adjusted earnings (loss)	**91**	**30**	**235**	**21**	**32**	**(45)**	**243**	**364**
	80	22	224	21	23	(35)	233	335
Restructuring	**—**	**(1)**	**(5)**	**(1)**	**(1)**	**—**	**(7)**	**(8)**
	(10)	—	(17)	(1)	(1)	—	(19)	(29)
Transition of managed IT services	**(1)**	**(1)**	**(6)**	**(1)**	**—**	**—**	**(7)**	**(9)**
	—	—	—	—	—	—	—	—
Unrealized (losses) gains on mark-to-market forward and swap commodity contracts	**—**	**(27)**	**—**	**—**	**—**	**—**	**—**	**(27)**
	—	12	—	2	—	(8)	(6)	6
Rate-regulated activities	**—**	**—**	**(7)**	**—**	**(15)**	**—**	**(22)**	**(22)**
	—	—	(5)	—	(10)	—	(15)	(15)
IT Common Matters decision	**—**	**—**	**(2)**	**—**	**—**	**—**	**(2)**	**(2)**
	—	—	(8)	—	—	—	(8)	(8)
ATCO Electric settlement	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	—	—	(4)	—	—	—	(4)	(4)
Other [1]	**—**	**(2)**	**—**	**(1)**	**—**	**—**	**(1)**	**(3)**
	—	14	—	—	—	(7)	(7)	7
Earnings (loss) attributable to Class I and Class II Shares	**90**	**(1)**	**215**	**18**	**16**	**(45)**	**204**	**293**
	70	48	190	22	12	(50)	174	292

(1) The 2024 transfer of ownership of ATCO Energy from Canadian Utilities to ATCO. Canadian Utilities recorded a loss of $14 million ($7 million after non-controlling interests) which is eliminated on consolidation with ATCO.

RESTRUCTURING

The Company recorded restructuring costs of nil and $8 million (after-tax and non-controlling interests) in the third quarter and first nine months of 2025 (2024 - $6 million and $29 million (after-tax and non-controlling interests)), mainly related to staff reductions and associated severance costs. This restructuring is a continuation of the restructuring activities commenced in 2024. As these costs are not in the normal course of business, they have been excluded from adjusted earnings.

TRANSITION OF MANAGED IT SERVICES

The Company recognized IT transition costs of $1 million and $9 million (after-tax and non-controlling interests) in the third quarter and first nine months of 2025. The transition costs were primarily related to activities to shift from a single-vendor service provider to a hybrid model of multiple new vendors and internal teams. The transition activities commenced on January 1, 2025 and will be completed in 2025. As these costs are not in the normal course of business, they have been excluded from adjusted earnings.

UNREALIZED GAINS AND LOSSES ON MARK-TO-MARKET FORWARD AND SWAP COMMODITY CONTRACTS

The Company's electricity generation and electricity and natural gas retail businesses enter into fixed-price swap commodity contracts to manage exposure to electricity and natural gas prices and volumes. These contracts are measured at fair value. Unrealized gains and losses due to changes in the fair value of fixed-price swap commodity contracts where hedge accounting is not applied, together with reclassifications of unrealized gains or losses from other comprehensive income or loss related to both the electricity generation business and retail business are recognized in the ATCO EnPower and ATCO Investments segments, respectively.

The senior management team (SMT) believes that removal of the unrealized gains and losses on mark-to-market forward and swap commodity contracts provides a better representation of operating results for the Company's operations.

Realized gains or losses are recognized in adjusted earnings when the commodity contracts are settled.

RATE-REGULATED ACTIVITIES

ATCO Electric Transmission, ATCO Electric Distribution, ATCO Electric Yukon, Naka Power Utilities (NWT), Naka Power Utilities (Yellowknife), ATCO Gas, ATCO Pipelines and ATCO Gas Australia are collectively referred to as the Regulated Utilities.

There is currently no specific guidance under IFRS Accounting Standards for rate-regulated entities that the Company is eligible to adopt. In the absence of this guidance, the Regulated Utilities do not recognize assets and liabilities from rate-regulated activities as may be directed by regulatory decisions. Instead, the Regulated Utilities recognize revenues in earnings when amounts are billed to customers, consistent with the regulator-approved rate design. Operating costs and expenses are recorded when incurred. Costs incurred in constructing an asset that meet the asset recognition criteria are included in the related property, plant and equipment or intangible asset.

The Company considers standards issued by the Financial Accounting Standards Board (FASB) in the United States as another source of generally accepted accounting principles taking into account a more likely than not recognition threshold in accounting for rate-regulated activities in its internal reporting provided to the SMT. The SMT believes that earnings presented in this manner are a better representation of the operating results of the Company's rate-regulated activities. Therefore, the Company presents adjusted earnings as part of its segmented disclosures on this basis. Rate-regulated accounting (RRA) standards impact the timing of how certain revenues and expenses are recognized when compared to non-rate regulated activities, to appropriately reflect the economic impact of a regulator's decisions on revenues.

Rate-regulated accounting differs from IFRS Accounting Standards in the following ways:

Timing Adjustment	Items	RRA Treatment	IFRS Treatment
Additional revenues billed in current period	Future removal and site restoration costs, and impact of colder temperatures.	The Company defers the recognition of cash received in advance of future expenditures.	The Company recognizes revenues when amounts are billed to customers and costs when they are incurred.
Revenues to be billed in future periods	Deferred income taxes, impact of warmer temperatures, and impact of inflation on rate base.	The Company recognizes revenues associated with recoverable costs in advance of future billings to customers.	The Company recognizes costs when they are incurred, but does not recognize their recovery until customer rates are changed and amounts are collected through future billings.
Regulatory decisions received	Regulatory decisions received which relate to current and prior periods.	The Company recognizes the earnings from a regulatory decision pertaining to current and prior periods when the decision is received.	The Company does not recognize earnings from a regulatory decision when it is received as regulatory assets and liabilities are not recorded under IFRS Accounting Standards.
Settlement of regulatory decisions and other items	Settlement of amounts receivable or payable to customers and other items.	The Company recognizes the amount receivable or payable to customers as a reduction in its regulatory assets and liabilities when collected or refunded through future billings.	The Company recognizes earnings when customer rates are changed and amounts are recovered or refunded to customers through future billings.

For the third quarter and first nine months of 2025 and 2024, the significant timing adjustments as a result of the differences between rate-regulated accounting and IFRS Accounting Standards are as follows:

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Additional revenues billed in current period						
Future removal and site restoration costs [1]	**19**	16	3	**53**	49	4
Revenues to be billed in future periods						
Deferred income taxes [2]	**(19)**	(17)	(2)	**(55)**	(50)	(5)
Impact of warmer temperatures [3]	**(3)**	(2)	(1)	**(7)**	—	(7)
Impact of inflation on rate base [4]	**(3)**	(3)	—	**(9)**	(8)	(1)
Settlement of regulatory decisions and other items						
PBR2 re-opener proceeding refund to customers [5]	**(4)**	—	(4)	**(4)**	—	(4)
Other	**(3)**	(1)	(2)	**—**	(6)	6
	(13)	(7)	(6)	**(22)**	(15)	(7)

(1) Removal and site restoration costs are billed to customers over the estimated useful life of the related assets based on forecast costs to be incurred in future periods.

(2) Income taxes are billed to customers when paid by the Company.

(3) Natural Gas Distribution's customer rates are based on a forecast of normal temperatures. Fluctuations in temperatures may result in more or less revenue being recovered from customers than forecast. Revenues above or below normal temperatures in the current period are refunded to or recovered from customers in future periods.

(4) The inflation-indexed portion of ATCO Gas Australia's rate base is billed to customers through the recovery of depreciation in subsequent periods based on the actual or forecasted annual rate of inflation. Under rate-regulated accounting, revenue is recognized in the current period for the inflation component of rate base when it is earned. Differences between the amounts earned and the amounts billed to customers are deferred and recognized in revenues over the service life of the related asset.

(5) In connection with the PBR2 re-opener proceeding (Phase II Decision), Electricity Distribution and Natural Gas Distribution refunded $2 million (after-tax and and non-controlling interests) and $2 million (after-tax and and non-controlling interests), respectively, to customers for the three and nine months ended September 30, 2025.

IT COMMON MATTERS DECISION

Consistent with the treatment of the gain on sale in 2014 from the IT services business by the Company, financial impacts associated with the IT Common Matters decision are excluded from adjusted earnings. The amount excluded from adjusted earnings for the third quarter and first nine months of 2025 was $1 million and $2 million (after-tax and non-controlling interests) (2024 - $3 million and $8 million (after-tax and non-controlling interests)).

ATCO ELECTRIC SETTLEMENT

On June 24, 2024, AUC Enforcement filed a joint submission with ATCO Electric seeking the AUC's approval of a settlement agreement involving two historical matters ATCO Electric had previously identified and self-reported to AUC Enforcement staff. The settlement agreement includes an administrative penalty of $3 million, and a refund to customers through a billing adjustment to the AESO of $4 million. In the first nine months of 2024, the Company recognized costs of $4 million (after tax and non-controlling interests) related to the proceeding. As this is not in the normal course of business, it has been excluded from adjusted earnings.

SEGMENTED RECONCILIATION OF ADJUSTED EARNINGS TO EARNINGS ATTRIBUTABLE TO CLASS I AND CLASS II SHARES

ATCO Structures & Logistics

The following tables reconcile adjusted earnings (loss) for the ATCO Structures & Logistics business unit to the directly comparable financial measure, earnings (loss) attributable to Class I and Class II shares.

($ millions)

	Three Months Ended September 30		
2025	ATCO Ltd.		
2024	Structures	Frontec	ATCO Structures & Logistics
Adjusted earnings (loss)	**30**	**2**	**32**
	29	(3)	26
Restructuring	**—**	**—**	**—**
	(5)	(1)	(6)
Earnings (loss) attributable to Class I and Class II Shares	**30**	**2**	**32**
	24	(4)	20

($ millions)

	Nine Months Ended September 30		
2025	ATCO Ltd.		
2024	Structures	Frontec	ATCO Structures & Logistics
Adjusted earnings (loss)	**88**	**3**	**91**
	83	(3)	80
Restructuring	**—**	**—**	**—**
	(6)	(4)	(10)
Transition of managed IT services	**(1)**	**—**	**(1)**
	—	—	—
Earnings (loss) attributable to Class I and Class II Shares	**87**	**3**	**90**
	77	(7)	70

ATCO Investments

The following tables reconcile adjusted earnings (loss) for the ATCO Investments to the directly comparable financial measure, earnings (loss) attributable to Class I and Class II Shares.

($ millions)

	Three Months Ended September 30				
2025	ATCO Ltd.				
2024	Investments				ATCO Investments
	Neltume Ports	Other Investments	Consolidated Investments	ATCO Corporate & Other	
Adjusted earnings (loss)	**10**	**4**	**14**	**(1)**	**13**
	7	4	11	1	12
Unrealized (losses) gains on mark-to-market forward and swap commodity contracts	**—**	**(1)**	**(1)**	**—**	**(1)**
	—	12	12	—	12
Other [1]	**(2)**	**—**	**(2)**	**—**	**(2)**
	—	—	—	14	14
Earnings (loss) attributable to Class I and Class II Shares	**8**	**3**	**11**	**(1)**	**10**
	7	16	23	15	38

(1) The 2024 transfer of ownership of ATCO Energy from Canadian Utilities to ATCO. Canadian Utilities recorded a loss of $14 million ($7 million after non-controlling interests) which is eliminated on consolidation with ATCO.

($ millions)

	Nine Months Ended September 30				
2025	ATCO Ltd.				
2024	Investments				ATCO Investments
	Neltume Ports	Other Investments	Consolidated Investments	ATCO Corporate & Other	
Adjusted earnings (loss)	**25**	**14**	**39**	**(9)**	**30**
	18	4	22	—	22
Restructuring	**—**	**—**	**—**	**(1)**	**(1)**
	—	—	—	—	—
Transition of managed IT services	**—**	**(1)**	**(1)**	**—**	**(1)**
	—	—	—	—	—
Unrealized (losses) gains on mark-to-market forward and swap commodity contracts	**—**	**(27)**	**(27)**	**—**	**(27)**
	—	12	12	—	12
Other [1]	**(2)**	**—**	**(2)**	**—**	**(2)**
	—	—	—	14	14
Earnings (loss) attributable to Class I and Class II Shares	**23**	**(14)**	**9**	**(10)**	**(1)**
	18	16	34	14	48

(1) The 2024 transfer of ownership of ATCO Energy from Canadian Utilities to ATCO. Canadian Utilities recorded a loss of $14 million ($7 million after non-controlling interests) which is eliminated on consolidation with ATCO.

ATCO Energy Systems

The following tables reconcile adjusted earnings (loss) for the ATCO Energy Systems business unit to the directly comparable financial measure, earnings (loss) attributable to Class I and Class II Shares.

($ millions)

Three Months Ended September 30

2025 / 2024	Canadian Utilities Limited							
	Electricity				Natural Gas			ATCO Energy Systems
	Electricity Distribution	Electricity Transmission	International Electricity	Consolidated Electricity	Natural Gas Distribution	Natural Gas Transmission	Consolidated Natural Gas	
Adjusted earnings (loss)	**21**	**23**	**8**	**52**	**(14)**	**15**	**1**	**53**
	20	25	7	52	(14)	11	(3)	49
Transition of managed IT services	**—**	**—**	**—**	**—**	**(1)**	**—**	**(1)**	**(1)**
	—	—	—	—	—	—	—	—
Rate-regulated activities	**(4)**	**(2)**	**—**	**(6)**	**(1)**	**(1)**	**(2)**	**(8)**
	(4)	(3)	—	(7)	5	(2)	3	(4)
IT Common Matters decision	**—**	**(1)**	**—**	**(1)**	**—**	**—**	**—**	**(1)**
	(1)	(1)	—	(2)	(1)	—	(1)	(3)
Earnings (loss) attributable to Class I and Class II Shares	**17**	**20**	**8**	**45**	**(16)**	**14**	**(2)**	**43**
	15	21	7	43	(10)	9	(1)	42

($ millions)

Nine Months Ended September 30

2025 / 2024	Canadian Utilities Limited							
	Electricity				Natural Gas			ATCO Energy Systems
	Electricity Distribution	Electricity Transmission	International Electricity	Consolidated Electricity	Natural Gas Distribution	Natural Gas Transmission	Consolidated Natural Gas	
Adjusted earnings	**62**	**70**	**23**	**155**	**37**	**43**	**80**	**235**
	55	75	21	151	38	35	73	224
Restructuring	**(2)**	**(1)**	**—**	**(3)**	**(1)**	**(1)**	**(2)**	**(5)**
	(4)	(3)	—	(7)	(8)	(2)	(10)	(17)
Transition of managed IT services	**(2)**	**—**	**—**	**(2)**	**(4)**	**—**	**(4)**	**(6)**
	—	—	—	—	—	—	—	—
Rate-regulated activities	**(9)**	**(7)**	**—**	**(16)**	**13**	**(4)**	**9**	**(7)**
	(12)	(7)	—	(19)	18	(4)	14	(5)
IT Common Matters decision	**(1)**	**(1)**	**—**	**(2)**	**—**	**—**	**—**	**(2)**
	(3)	(2)	—	(5)	(3)	—	(3)	(8)
ATCO Electric settlement	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	—	(4)	—	(4)	—	—	—	(4)
Earnings attributable to Class I and Class II Shares	**48**	**61**	**23**	**132**	**45**	**38**	**83**	**215**
	36	59	21	116	45	29	74	190

ATCO EnPower

For the three months ended September 30, 2025, ATCO EnPower's adjusted earnings (loss) were equal to the earnings (loss) attributable to Class I and Class II Shares and no reconciliation is required.

For the nine months ended September 30, 2025, the following table reconciles adjusted earnings (loss) for the ATCO EnPower business unit to the directly comparable financial measure, earnings (loss) attributable to Class I and Class II Shares.

($ millions)

	Nine Months Ended September 30		
2025	Canadian Utilities Limited		
2024			
	Electricity Generation	**Storage & Industrial Water**	**ATCO EnPower**
Adjusted earnings (loss)	**(1)**	**22**	**21**
	4	17	21
Restructuring	**—**	**(1)**	**(1)**
	—	(1)	(1)
Transition of managed IT services	**—**	**(1)**	**(1)**
	—	—	—
Unrealized gains on mark-to-market forward and swap commodity contracts	**—**	**—**	**—**
	2	—	2
Other	**(1)**	**—**	**(1)**
	—	—	—
Earnings (loss) attributable to Class I and Class II Shares	**(2)**	**20**	**18**
	6	16	22

ATCO Australia

The following tables reconcile adjusted earnings (loss) for the ATCO Australia business unit to the directly comparable financial measure, earnings (loss) attributable to Class I and Class II shares.

($ millions)

	Three Months Ended September 30		
2025	Canadian Utilities Limited		
2024			
	ATCO Gas Australia	**ATCO Power Australia**	**ATCO Australia**
Adjusted earnings (loss)	**12**	**2**	**14**
	9	(1)	8
Rate-regulated activities	**(5)**	**—**	**(5)**
	(3)	—	(3)
Earnings (loss) attributable to Class I and Class II Shares	**7**	**2**	**9**
	6	(1)	5

($ millions)	Nine Months Ended September 30		
2025 2024	Canadian Utilities Limited		
	ATCO Gas Australia	**ATCO Power Australia**	**ATCO Australia**
Adjusted earnings	**28**	**4**	**32**
	22	1	23
Restructuring	**(1)**	**—**	**(1)**
	(1)	—	(1)
Rate-regulated activities	**(15)**	**—**	**(15)**
	(10)	—	(10)
Earnings attributable to Class I and Class II Shares	**12**	**4**	**16**
	11	1	12

RECONCILIATION OF CAPITAL INVESTMENT TO CAPITAL EXPENDITURES

Capital investment is a non-GAAP financial measure defined as cash used for capital expenditures, business combinations, and cash used in the Company's share of capital expenditures in joint ventures. In management's opinion, capital investment reflects the Company's total cash investment in assets. Capital expenditures include additions to property, plant and equipment and intangibles as well as interest capitalized during construction. Additional information regarding this non-GAAP measure is provided in the "Other Financial and Non-GAAP Measures" section of this MD&A.

($ millions)

Three Months Ended September 30

2025 / 2024	**ATCO Ltd.**							**ATCO Consolidated**
			Canadian Utilities Limited					
	ATCO Structures & Logistics	**ATCO Investments**	**ATCO Energy Systems**	**ATCO EnPower**	**ATCO Australia**	**CU Financing & Other**	**Consolidated**	
Capital Investment	**57**	**8**	**359**	**19**	**25**	**2**	**405**	**470**
	91	8	366	24	25	5	420	519
Capital Expenditures in joint ventures	**—**	**—**	**(1)**	**(2)**	**—**	**—**	**(3)**	**(3)**
	—	—	(2)	—	—	—	(2)	(2)
Business combinations [1]	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	(40)	—	—	—	—	(4)	(4)	(44)
Capital Expenditures	**57**	**8**	**358**	**17**	**25**	**2**	**402**	**467**
	51	8	364	24	25	1	414	473

(1) The ATCO Structures & Logistics business combination refers to the acquisition of NRB in the third quarter of 2024.

($ millions)

Nine Months Ended September 30

2025 / 2024	**ATCO Ltd.**							**ATCO Consolidated**
			Canadian Utilities Limited					
	ATCO Structures & Logistics	**ATCO Investments**	**ATCO Energy Systems**	**ATCO EnPower**	**ATCO Australia**	**CU Financing & Other**	**Consolidated**	
Capital Investment	**163**	**22**	**1,043**	**66**	**70**	**12**	**1,191**	**1,376**
	160	13	931	55	63	12	1,061	1,234
Capital Expenditures in joint ventures	**—**	**—**	**(2)**	**(4)**	**—**	**—**	**(6)**	**(6)**
	—	—	(3)	(2)	—	—	(5)	(5)
Business combinations [1]	**(3)**	**—**	**—**	**—**	**—**	**—**	**—**	**(3)**
	(40)	—	—	—	—	(4)	(4)	(44)
Capital Expenditures	**160**	**22**	**1,041**	**62**	**70**	**12**	**1,185**	**1,367**
	120	13	928	53	63	8	1,052	1,185

(1) The ATCO Structures & Logistics business combination refers to the acquisition of NRB in the third quarter of 2024 and the final adjustment completed in the first quarter of 2025.

OTHER FINANCIAL INFORMATION

INTERNAL CONTROL OVER FINANCIAL REPORTING

The certification of interim filings for the interim period ended September 30, 2025, requires that the Company disclose in the interim MD&A any changes in the Company's internal controls over financial reporting (ICFR) that occurred during the period that have materially affected, or are reasonably likely to materially affect, the Company's ICFR. The Company confirms that no such changes were identified in the Company's ICFR during the three months beginning on July 1, 2025 and ending on September 30, 2025.

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A 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 MD&A includes, but is not limited to, references to: the payment of dividends and expected dividend growth; strategic and growth plans and opportunities; the Company's 2050 net-zero ambition; 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; expectations regarding ATCO Structures' and ATCO Frontec's various projects, including the AHC modular unit project in Calgary, the lodges and office facility project connected to the Stibnite Gold Project, workforce housing solutions supporting shipping infrastructure enhancements in Alaska, gold exploration and mining operations in Washington, and technology construction across the continental US; the resiliency of ATCO Structures' growth; the continuation of LUMA Energy's operations under the Supplemental Agreement; the transition to year one under the OMA after PREPA's bankruptcy is resolved; expectations regarding ATCO Pipelines' 2026-2028 GRA; expectations regarding Yellowhead, including the anticipated size and specifications of the project, the anticipated total investment in the project, the anticipated timing for and number of regulatory applications and decisions, the expected timing for commencement of construction and in-service date of the project, and expectations regarding the project's funding structure, sources of funding for the project and potential Indigenous equity participation on the project; expectations regarding CETO, including the anticipated size, capacity and benefits of the project, the anticipated timing for energization of the project, and the anticipated total investment in the project; expectations regarding the PBR2 re-opener proceedings, including timing expectations, scope of the proceedings, and anticipated outcomes; expectations regarding the upcoming redemption of Canadian Utilities' Cumulative Redeemable Second Preferred Shares Series FF; expectations regarding the use of proceeds resulting from Canadian Utilities' recent hybrid note issuance and CU Inc.'s recent debenture issuance; the expected benefits of the proposed Arrangement to the holders of Class II Shares other than the Controlling Class II Share Owner, the anticipated closing conditions and approvals required in connection with the proposed Arrangement; and the expected structure and anticipated timing and completion of the proposed Arrangement; the expected impact of new legislation; the expected timing and impact of policy and regulatory decisions and new policy and regulatory announcements; and the Company's liquidity, capital resources, contractual financial obligations and other commitments.

Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated in such forward-looking information. The forward-looking information reflects the Company's beliefs and assumptions with respect to, among other things: the applicability and stability of legal and regulatory requirements in the jurisdictions in which we invest and/or operate; the satisfaction of the conditions to closing of the proposed Arrangement in a timely manner, including the receipt of all necessary approvals; the payment of fees owing pursuant to applicable contracts; certain regulatory applications being made and approved; 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 and regulations and the interpretation and manner of enforcement of such laws and regulations; changes to government policies; regulatory decisions; competitive factors in the industries in which the Company operates; evolving market or economic conditions; credit risk; interest rate fluctuations; the failure of ATCO to receive, in a timely manner, the necessary approvals and to satisfy the other conditions to closing of the proposed Arrangement; the inability of ATCO to complete the proposed Arrangement on the terms contemplated or at all; the availability and cost of labour, materials, services, infrastructure, and future demand for resources; the development and execution of projects, including development projects not proceeding on schedule or at all, or at currently estimated budgets; the availability of financing sources for development projects on acceptable terms; prices of electricity, natural gas, natural gas liquids, and renewable energy; the development and performance of technology and new energy efficient products, services, and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture, and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets; potential cancellation, termination, default, non-compliance, or breach of contract by contract counterparties; the risk that payments owed may not be collected or received in a timely manner, or at all; risks associated with potential litigation proceedings; potential damage to our brand and/or reputation that may result from a failure to perform, or from factors outside of our control, or negative publicity related to significant projects, investments, operations or activities; the risk of operational disruptions, outages, or force majeure events; the occurrence of unexpected events such as fires, extreme weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; global pandemics; the imposition of or changes to existing customs duties, tariffs or other trade restrictions; geopolitical tensions and wars; and other risk factors, many of which are beyond the control of the Company. There are also a number of risks associated with operating in international markets, including but not limited to: changes in applicable laws or regulatory requirements; political, economic and social instability; expropriation or nationalization of assets or operations; unfamiliar legal systems or business and labour practices; complex foreign tax regulations and other laws and international treaties. For example, our joint venture, LUMA Energy, is exposed to various risks operating in Puerto Rico. Furthermore, we have incurred, and may incur in the future, significant costs or liabilities associated with an unsuccessful attempt to enter a new market and we have entered, and may in the future enter, a new market that ultimately proves to be unprofitable or has an otherwise adverse effect on our business. We may also incur significant costs and liabilities associated with winding down or exiting an existing market. These risks could restrict our ability to provide services to customers, operate our business in these locations profitability or fund our strategic objectives, which could negatively impact our overall business, financial condition, results of operations and cash flows. Due to the interdependencies and correlation of these factors, the impact of any one material assumption or risk on a forward-looking statement cannot be determined with certainty. Readers are cautioned that the foregoing lists are not exhaustive. For additional information about the principal risks that the Company faces, see the “Business Risks and Risk Management” section in the 2024 MD&A.

This MD&A 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 MD&A.

Any forward-looking information contained in this MD&A 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, including the Company's audited consolidated financial statements for the year ended December 31, 2024, unaudited interim consolidated financial statements for the nine months ended September 30, 2025, and most recent Annual Information Form dated February 26, 2025, can be found on SEDAR+ at www.sedarplus.ca.

Copies of these documents may also be obtained upon request from Investor Relations at 3rd Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4, telephone 403-292-7500, or email investorrelations@atco.com. Corporate information is also available on the Company's website at www.atco.com.

GLOSSARY

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

AESO means Alberta Electric System Operator.

AUC means the Alberta Utilities Commission.

Class I Shares means Class I Non-Voting Shares of the Company.

Class II Shares means Class II Voting Shares of the Company.

Company means ATCO Ltd. and, unless the context otherwise requires, includes its subsidiaries and joint arrangements.

Customer contributions are non-refundable cash contributions made by customers for certain additions to property, plant and equipment, mainly in ATCO Energy Systems. These contributions are made when the estimated revenue is less than the cost of providing service.

EBITDA means earnings before interest, taxes, depreciation and amortization.

ECM means efficiency carry-over mechanism.

GAAP means Canadian generally accepted accounting principles.

GRA means general rate application.

IFRS means International Financial Reporting Standards.

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

PPA means Power Purchase Agreement.

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.

SMT means senior management team, and is comprised of the Chief Executive Officer and the other members of the Executive Committee.

APPENDIX 1: SUPPLEMENTAL NON-AUDITED FINANCIAL INFORMATION

Management uses numerous metrics and financial measures to evaluate our success and better identify possible challenges while capitalizing on emerging opportunities and continuing to deliver high-performing results. These measures support our ability to assess segment performance and allocate resources and allow for a more effective analysis of operating performance and trends.

From time to time, management may choose to provide supplemental non-audited financial information to help readers further understand key operational and financial events that may influence the results during a quarter.

SUPPLEMENTAL INFORMATION

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure.[1] It is an additional important metric for ATCO Structures and ATCO EnPower and is representative of core operational results.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA after adjustments, excluding one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations. Adjusted EBITDA is most directly comparable to earnings (loss) attributable to Class I and Class II Shares but is not a standardized financial measure under the reporting framework used to prepare our financial statements. Adjusted EBITDA may not be comparable to similar financial measures disclosed by other issuers.

ATCO Structures

The following table reconciles adjusted EBITDA for ATCO Structures to adjusted earnings [2] for the third quarter and first nine months of 2025 and 2024. A reconciliation of adjusted earnings to earnings attributable to Class I and Class II Shares is presented in the "Reconciliation Of Adjusted Earnings To Earnings Attributable To Class I And Class II Shares" in this MD&A.

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	**2025**	**2024**	**2025**	**2024**
Adjusted Earnings [1]	**30**	29	**88**	83
Add:				
Interest expense	**4**	3	**12**	9
Income tax	**11**	11	**31**	31
Depreciation and amortization	**24**	20	**70**	59
Total Adjusted EBITDA [1]	**69**	63	**201**	182

(1) Non-GAAP financial measures.

[1] *Non-GAAP financial measure as defined in NI 52-112.*

[2] *Adjusted earnings (loss) are defined as earnings (loss) attributable to Class I and Class II Shares after adjusting for the timing of revenues and expenses associated with rate-regulated activities and unrealized gains or losses on mark-to-market forward and swap commodity contracts. Adjusted earnings (loss) also exclude one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations.*

ATCO EnPower

The following tables reconcile adjusted EBITDA for the ATCO EnPower business unit to adjusted earnings [1] for the third quarter and first nine months of 2025 and 2024. A reconciliation of adjusted earnings to earnings attributable to Class I and Class II Shares is presented in the "Reconciliation Of Adjusted Earnings To Earnings Attributable To Class I And Class II Shares" in this MD&A.

($ millions)

Three Months Ended September 30

	Canadian Utilities Limited		
2025			
2024			
	Electricity Generation	**Storage & Industrial Water**	**ATCO EnPower**
Adjusted earnings (loss) [1]	**2**	**7**	**9**
	1	6	7
Add:			
Interest expense	**4**	**—**	**4**
	3	—	3
Income tax expense	**1**	**2**	**3**
	1	1	2
Depreciation and amortization	**6**	**3**	**9**
	5	3	8
Total Adjusted EBITDA [1]	**13**	**12**	**25**
	10	10	20

(1) Non-GAAP financial measure.

($ millions)

Nine Months Ended September 30

	Canadian Utilities Limited		
2025			
2024			
	Electricity Generation	**Storage & Industrial Water**	**ATCO EnPower**
Adjusted earnings (loss) [1]	**(1)**	**22**	**21**
	4	17	21
Add:			
Interest expense	**11**	**1**	**12**
	10	1	11
Income tax expense	**1**	**6**	**7**
	3	4	7
Depreciation and amortization	**15**	**8**	**23**
	14	8	22
Total Adjusted EBITDA [1]	**26**	**37**	**63**
	31	30	61

(1) Non-GAAP financial measures.

[1] *Adjusted earnings (loss) are defined as earnings (loss) attributable to Class I and Class II Shares after adjusting for the timing of revenues and expenses associated with rate-regulated activities and unrealized gains or losses on mark-to-market forward and swap commodity contracts. Adjusted earnings (loss) also exclude one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations.*

ATCO LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

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CONSOLIDATED STATEMENTS OF EARNINGS

		Three Months Ended September 30		Nine Months Ended September 30	
(millions of Canadian Dollars except per share data)	**Note**	**2025**	**2024**	**2025**	**2024**
Revenues	4	**1,184**	1,116	**3,753**	3,552
Costs and expenses					
Salaries, wages and benefits	3	**(179)**	(177)	**(534)**	(547)
Energy transmission and transportation		**(86)**	(80)	**(260)**	(236)
Plant and equipment maintenance		**(68)**	(68)	**(194)**	(193)
Fuel costs		**(11)**	(13)	**(78)**	(78)
Purchased power		**(53)**	(52)	**(153)**	(166)
Materials and consumables		**(195)**	(149)	**(503)**	(384)
Depreciation and amortization		**(213)**	(202)	**(633)**	(602)
Franchise fees		**(52)**	(50)	**(227)**	(217)
Property and other taxes		**(22)**	(22)	**(66)**	(65)
Derivative financial instruments gains	10	**14**	36	**39**	57
Other	3	**(35)**	(66)	**(170)**	(191)
		(900)	(843)	**(2,779)**	(2,622)
Earnings from investment in associate company		**8**	7	**23**	18
Earnings from investment in joint ventures		**19**	17	**59**	54
Operating profit		**311**	297	**1,056**	1,002
Interest income		**12**	21	**46**	65
Interest expense		**(135)**	(137)	**(405)**	(406)
Net finance costs		**(123)**	(116)	**(359)**	(341)
Earnings before income taxes		**188**	181	**697**	661
Income tax expense		**(43)**	(35)	**(152)**	(145)
Earnings for the period		**145**	146	**545**	516
Earnings attributable to:					
Class I and Class II Shares		**85**	93	**293**	292
Non-controlling interests		**60**	53	**252**	224
		145	146	**545**	516
Earnings per Class I and Class II Share	5	**$0.76**	$0.83	**$2.61**	$2.60
Diluted earnings per Class I and Class II Share	5	**$0.75**	$0.83	**$2.60**	$2.60

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of Canadian Dollars)	**2025**	**2024**	**2025**	**2024**
Earnings for the period	**145**	146	**545**	516
Other comprehensive income (loss), net of income taxes				
Items that will not be reclassified to earnings:				
Re-measurement of retirement benefits [1]	**(3)**	(8)	**22**	(5)
Items that are or may be reclassified subsequently to earnings:				
Cash flow hedges [2]	**3**	(24)	**(1)**	(71)
Foreign currency translation adjustment [3]	**29**	(2)	**(4)**	22
Share of other comprehensive loss in associate company [3]	**(1)**	–	–	–
Share of other comprehensive (loss) income of joint ventures [3]	**1**	(4)	**(2)**	1
	32	(30)	**(7)**	(48)
Other comprehensive income (loss)	**29**	(38)	**15**	(53)
Comprehensive income for the period	**174**	108	**560**	463
Comprehensive income attributable to:				
Class I and Class II Shares	**103**	25	**299**	229
Non-controlling interests	**71**	83	**261**	234
	174	108	**560**	463

(1) Net of income taxes of $2 and $(7) million for the three and nine months ended September 30, 2025 (2024 - $3 million and $2 million).

(2) Net of income taxes of $(2) million and nil for the three and nine months ended September 30, 2025 (2024 - $6 million and $22 million).

(3) Net of income taxes of nil (2024 - nil).

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

(millions of Canadian Dollars)	Note	September 30 2025	December 31 2024
ASSETS			
Current assets			
Cash and cash equivalents		**943**	374
Marketable securities		**350**	339
Accounts receivable and contract assets		**706**	1,018
Finance lease receivables		**14**	13
Inventories		**199**	155
Prepaid expenses and other current assets		**255**	246
		2,467	2,145
Non-current assets			
Property, plant and equipment	6	**22,476**	21,788
Intangibles		**1,122**	1,076
Retirement benefit asset		**77**	59
Right-of-use assets		**158**	137
Goodwill		**244**	244
Investment in joint ventures		**272**	261
Investment in associate company		**496**	510
Finance lease receivables		**103**	112
Deferred income tax assets		**86**	91
Other assets		**241**	301
Total assets		**27,742**	26,724
LIABILITIES			
Current liabilities			
Bank indebtedness		**41**	280
Accounts payable and accrued liabilities		**837**	1,062
Lease liabilities		**28**	23
Provisions and other current liabilities		**83**	113
Long-term debt	7	**375**	77
		1,364	1,555
Non-current liabilities			
Deferred income tax liabilities		**2,401**	2,288
Retirement benefit obligations		**237**	248
Customer contributions		**2,143**	2,088
Lease liabilities		**143**	125
Other liabilities		**236**	236
Long-term debt	7	**12,359**	11,474
Total liabilities		**18,883**	18,014
EQUITY			
Class I and Class II Share owners' equity			
Class I and Class II shares	8	**209**	191
Contributed surplus		**17**	17
Retained earnings		**4,525**	4,423
Accumulated other comprehensive (loss) income		**(4)**	1
		4,747	4,632
Non-controlling interests		**4,112**	4,078
Total equity		**8,859**	8,710
Total liabilities and equity		**27,742**	26,724

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(millions of Canadian Dollars)	Note	Class I and Class II Shares	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total	Non-Controlling Interests	Total Equity
December 31, 2023		187	14	4,216	6	4,423	4,075	8,498
Earnings for the period		–	–	292	–	292	224	516
Other comprehensive (loss) income		–	–	–	(63)	(63)	10	(53)
Loss on retirement benefits transferred to retained earnings		–	–	(2)	2	–	–	–
Shares issued [1]	8	1	–	–	–	1	19	20
Dividends [1]	8	–	–	(165)	–	(165)	(241)	(406)
Share-based compensation	8	1	2	–	–	3	1	4
Other		–	–	5	1	6	4	10
September 30, 2024		189	16	4,346	(54)	4,497	4,092	8,589
December 31, 2024		191	17	4,423	1	4,632	4,078	8,710
Earnings for the period		–	–	**293**	–	**293**	**252**	**545**
Other comprehensive income		–	–	–	**6**	**6**	**9**	**15**
Gains on retirement benefits transferred to retained earnings		–	–	**11**	**(11)**	–	–	–
Shares issued	8	**16**	–	–	–	**16**	**11**	**27**
Shares purchased and cancelled	8	**(1)**	–	**(25)**	–	**(26)**	–	**(26)**
Dividends	8	–	–	**(170)**	–	**(170)**	**(245)**	**(415)**
Share-based compensation	8	**3**	–	–	–	**3**	–	**3**
Changes in ownership interest in subsidiary company		–	–	**(5)**	–	**(5)**	**5**	–
Other		–	–	**(2)**	–	**(2)**	**2**	–
September 30, 2025		**209**	**17**	**4,525**	**(4)**	**4,747**	**4,112**	**8,859**

(1) For the nine months ended September 30, 2024, dividends paid to non-controlling interests of $241 million include $19 million of dividends paid by Canadian Utilities Limited through the issuance of Class A shares under its dividend reinvestment program. Effective July 11, 2024, Canadian Utilities Limited suspended its dividend reinvestment program.

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Three Months Ended September 30		Nine Months Ended September 30	
(millions of Canadian Dollars)	Note	2025	2024	2025	2024
Operating activities					
Earnings for the period		**145**	146	**545**	516
Adjustments to reconcile earnings to cash flows from operating activities	9	**402**	370	**1,246**	1,163
Changes in non-cash working capital		**5**	(54)	**31**	(99)
Cash flows from operating activities		**552**	462	**1,822**	1,580
Investing activities					
Additions to property, plant and equipment		**(418)**	(437)	**(1,249)**	(1,091)
Proceeds on disposal of property, plant and equipment		**–**	1	**8**	1
Additions to intangibles		**(39)**	(31)	**(95)**	(82)
Acquisition, net of cash acquired	11	**–**	(40)	**(3)**	(40)
Investment in joint ventures		**(5)**	(1)	**(7)**	(3)
Investment in marketable securities		**(3)**	(4)	**(13)**	(12)
Changes in non-cash working capital		**5**	23	**(7)**	(17)
Other		**(2)**	4	**27**	37
Cash flows used in investing activities		**(462)**	(485)	**(1,339)**	(1,207)
Financing activities					
Issue of long-term debt	7	**1,214**	651	**2,095**	891
Repayment of long-term debt	7	**(285)**	(97)	**(919)**	(460)
Repayment of lease liabilities		**(9)**	(7)	**(25)**	(18)
Issue of shares by subsidiary company		**1**	–	**10**	–
Net (purchase) issue of Class I Shares	8	**(23)**	1	**(10)**	1
Dividends paid to Class I and Class II Share owners	8	**(57)**	(55)	**(170)**	(165)
Dividends paid to non-controlling interests		**(82)**	(81)	**(245)**	(222)
Interest paid		**(133)**	(127)	**(404)**	(395)
Other		**(7)**	(22)	**(13)**	(22)
Cash flows from (used in) financing activities		**619**	263	**319**	(390)
Increase (decrease) in cash position		**709**	240	**802**	(17)
Foreign currency translation		**2**	2	**6**	1
Beginning of period		**191**	30	**94**	288
End of period [1]	9	**902**	272	**902**	272

(1) Cash position includes $17 million which is not available for general use by the Company (2024 - $26 million).

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

SEPTEMBER 30, 2025

(Tabular amounts in millions of Canadian Dollars, except as otherwise noted)

1. THE COMPANY AND ITS OPERATIONS

ATCO Ltd. was incorporated under the laws of the province of Alberta and is listed on the Toronto Stock Exchange. Its head office and registered office is at 4th Floor, West Building, 5302 Forand Street SW, Calgary, Alberta T3E 8B4. ATCO Ltd. is controlled by Sentgraf Enterprises Ltd. and its controlling share owner, the Southern family.

ATCO Ltd. is engaged in the following business activities:

- Structures & Logistics (workforce and residential housing, innovative modular facilities, construction, site support services, workforce lodging services, facility operations and maintenance, defence operations services, and disaster and emergency management services);
- Neltume Ports (ports and transportation logistics) (included in ATCO Investments);
- Retail Energy (electricity and natural gas retail sales, and home maintenance solutions) (included in ATCO Investments). For the period from January 1, 2024 until the date of transfer on August 1, 2024, Retail Energy activities were conducted in Canadian Utilities Limited's Financing & Other; and
- Canadian Utilities Limited, including:
    - ATCO Energy Systems (electricity and natural gas transmission and distribution, and international electricity operations);
    - ATCO EnPower (energy storage, electricity generation, industrial water solutions, and cleaner fuels); and
    - ATCO Australia (natural gas distribution and electricity generation operations).

Commencing in 2025, Canadian Utilities Limited renamed its Corporate & Other segment to Financing & Other to reflect its remaining primary activities, which include corporate financing, headquarters and support functions. Furthermore, the Company simplified its operating segment structure by combining the Neltume Ports and ATCO Ltd.'s Corporate & Other segments into a newly-formed ATCO Investments operating segment (see Note 3).

The unaudited interim consolidated financial statements include the accounts of ATCO Ltd. and its subsidiaries. The statements also include the accounts of the Company's investments in joint arrangements and an associate company. In these financial statements, "the Company" means ATCO Ltd., its subsidiaries, joint arrangements and the associate company.

Principal operating subsidiaries are:

- Canadian Utilities Limited (52.5 per cent owned) and its subsidiaries; and
- ATCO Structures & Logistics Ltd. and its subsidiaries.

2. BASIS OF PRESENTATION

STATEMENT OF COMPLIANCE

The unaudited interim consolidated financial statements are prepared according to International Accounting Standard (IAS) 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). They do not include all the disclosures required in annual consolidated financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2024, prepared according to IFRS Accounting Standards.

The unaudited interim consolidated financial statements are prepared following the same accounting policies used in the Company's most recent annual consolidated financial statements, except for income taxes and the change in reportable

segments. In interim periods, income taxes are accrued using an estimate of the annualized effective tax rate applied to year-to-date earnings.

The Board of Directors (Board) authorized these unaudited interim consolidated financial statements for issue on November 6, 2025.

BASIS OF MEASUREMENT

The unaudited interim consolidated financial statements are prepared on a historic cost basis, except for marketable securities, derivative financial instruments, retirement benefit obligations and cash-settled share-based compensation liabilities which are carried at remeasured amounts or fair value.

Revenues, earnings and adjusted earnings for any quarter are not necessarily indicative of operations on an annual basis. Quarterly financial results may be affected by the seasonal nature of the Company's operations, the timing of utility rate decisions, the timing and demand of natural gas storage capacity sold and changes in natural gas storage fees, the amount of sunlight, wind and water available to produce renewable energy and changes in market conditions for workforce housing and space rentals operations.

Certain comparative figures have been reclassified to conform to the current presentation.

USE OF JUDGMENTS AND ESTIMATES

Management makes judgments and estimates that could materially affect how policies are applied, how amounts in the unaudited interim consolidated financial statements are reported, and how contingent assets and liabilities are disclosed. Judgments and estimates are reviewed on an on-going basis; changes to accounting estimates are recognized prospectively. The judgments in applying the Company's accounting policies and the key sources of estimation uncertainty in the unaudited interim consolidated financial statements were the same as those described in the most recent annual consolidated financial statements.

3. SEGMENTED INFORMATION

SEGMENT DESCRIPTIONS AND PRINCIPAL OPERATING ACTIVITIES

The Company's operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer, and the other members of the Executive Committee ("the senior management team").

The accounting policies applied by the segments are the same as those applied by the Company, except for those used in the calculation of adjusted earnings. Intersegment transactions are measured at the exchange amount, as agreed to by the related parties.

Commencing in 2025, the Company simplified its operating segment structure by combining the Neltume Ports and ATCO Ltd.'s Corporate & Other segments into a newly-formed ATCO Investments operating segment. The change in reportable segment had no impact to the Company's previously reported historical consolidated balance sheets and the consolidated statements of earnings, comprehensive income, cash flows and changes in equity. Comparative segment results previously reported have been reclassified to reflect this change in the reportable operating segments.

Management has determined that the operating subsidiaries in the reportable segments below share similar economic characteristics, as such, they have been aggregated.

The descriptions and principal operating activities of the realigned segments are as follows:

Structures & Logistics			The Structures & Logistics segment includes ATCO Structures & Logistics. This segment offers workforce and residential housing, innovative modular facilities, construction, site support services, workforce lodging services, facility operations and maintenance, defence operations services, and disaster and emergency management services.
ATCO Investments			The ATCO Investments segment includes the Company's 40 per cent equity interest in Neltume Ports S.A., a business that operates seventeen port facilities and five port operation services businesses located in Chile, Uruguay, Argentina, Brazil and the United States; ATCO Energy, a retail electricity and natural gas business, and a home maintenance solution provider; ATCO Land and Development, a business that holds commercial real estate for sale, lease and development; Ashcor, a business engaged in the recycling and marketing of ash, a waste byproduct of electricity generation; and Fresh Bites, a business engaged in food services. ATCO Investments also includes ATCO Ltd.'s corporate financing, headquarters and support functions.
Canadian Utilities Limited	**ATCO Energy Systems**	**Electricity**	The ATCO Energy Systems (Electricity) segment includes ATCO Electric, which provides regulated electricity transmission and distribution services in northern and central east Alberta, the Yukon, the Northwest Territories and in the Lloydminster area of Saskatchewan, and the Company's 50 per cent ownership interest in LUMA Energy, LLC, which provides international electricity operations.
		Natural Gas	The ATCO Energy Systems (Natural Gas) segment includes ATCO Gas and ATCO Pipelines. These businesses provide integrated natural gas transmission and distribution services throughout Alberta and in the Lloydminster area of Saskatchewan.
	ATCO EnPower		The ATCO EnPower segment includes ATCO Renewables and ATCO Next Energy. These businesses provide electricity generation, natural gas storage, industrial water solutions and related infrastructure development throughout Alberta, the Northwest Territories, Ontario, Mexico and Chile.
	ATCO Australia		The ATCO Australia segment includes ATCO Gas Australia, which provides regulated natural gas distribution services in Western Australia, and ATCO Power Australia, which provides electricity generation.
	Financing & Other		Financing & Other includes Canadian Utilities Limited's corporate financing, headquarters and support functions. In the first quarter of 2025, the Corporate & Other segment was renamed Financing & Other to reflect its primary business activities.

SEGMENT INFORMATION FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025

Results by operating segment for the three months ended September 30 are shown below:

2025 / 2024	Canadian Utilities Limited									
	Structures & Logistics	ATCO Investments	ATCO Energy Systems [1]	ATCO EnPower	ATCO Australia	Financing & Other [2]	CU Elims	Total	ATCO Elims	ATCO Total
Revenues - external	**338**	**59**	**663**	**56**	**68**	**_**	**_**	**787**	**_**	**1,184**
	276	38	653	61	65	23	_	802	_	1,116
Revenues - intersegment	**(1)**	**9**	**_**	**3**	**_**	**6**	**(4)**	**5**	**(13)**	**_**
	_	6	_	5	_	8	(5)	8	(14)	_
Revenues	**337**	**68**	**663**	**59**	**68**	**6**	**(4)**	**792**	**(13)**	**1,184**
	276	44	653	66	65	31	(5)	810	(14)	1,116
Operating (expenses) income [3]	**(262)**	**(55)**	**(332)**	**(18)**	**(23)**	**(14)**	**4**	**(383)**	**13**	**(687)**
	(221)	(3)	(326)	(27)	(36)	(47)	5	(431)	14	(641)
Depreciation and amortization	**(25)**	**(5)**	**(154)**	**(13)**	**(14)**	**(2)**	**_**	**(183)**	**_**	**(213)**
	(22)	(4)	(146)	(13)	(15)	(2)	_	(176)	_	(202)
Earnings from investment in associate company	**_**	**8**	**_**	**_**	**_**	**_**	**_**	**_**	**_**	**8**
	_	7	_	_	_	_	_	_	_	7
Earnings (loss) from investment in joint ventures	**_**	**_**	**16**	**2**	**1**	**_**	**_**	**19**	**_**	**19**
	(1)	_	15	2	1	_	_	18	_	17
Net finance costs	**(5)**	**(5)**	**(92)**	**(7)**	**(8)**	**(6)**	**_**	**(113)**	**_**	**(123)**
	(4)	(3)	(92)	(8)	(4)	(5)	_	(109)	_	(116)
Earnings (loss) before income taxes	**45**	**11**	**101**	**23**	**24**	**(16)**	**_**	**132**	**_**	**188**
	28	41	104	20	11	(23)	_	112	_	181
Income tax (expense) recovery	**(12)**	**(1)**	**(20)**	**(6)**	**(7)**	**3**	**_**	**(30)**	**_**	**(43)**
	(8)	(3)	(20)	(5)	(3)	4	_	(24)	_	(35)
Earnings (loss) for the period	**33**	**10**	**81**	**17**	**17**	**(13)**	**_**	**102**	**_**	**145**
	20	38	84	15	8	(19)	_	88	_	146
Adjusted earnings (loss)	**32**	**13**	**53**	**9**	**14**	**(18)**	**_**	**58**	**_**	**103**
	26	12	49	7	8	(11)	_	53	_	91
Capital expenditures [4]	**57**	**8**	**358**	**17**	**25**	**2**	**_**	**402**	**_**	**467**
	51	8	364	24	25	1	_	414	_	473

Elims - Intersegment Eliminations

(1) Includes the collective results of the Electricity and the Natural Gas operating segments. Details of the results by operating segment included in ATCO Energy Systems are disclosed below.

(2) Commencing in 2025, Canadian Utilities Limited's Corporate & Other segment was renamed to Financing & Other.

(3) Includes total costs and expenses, excluding depreciation and amortization expense.

(4) Includes additions to property, plant and equipment, intangibles and $10 million of interest capitalized during construction for the three months ended September 30, 2025 (2024 - $5 million).

Results by operating segment for the nine months ended September 30 are shown below:

2025 / 2024	Canadian Utilities Limited									
	Structures & Logistics	ATCO Investments	ATCO Energy Systems [1]	ATCO EnPower	ATCO Australia	Financing & Other [2]	CU Elims	Total	ATCO Elims	ATCO Total
Revenues - external	**902**	**184**	**2,297**	**183**	**185**	**2**	**_**	**2,667**	**_**	**3,753**
	747	58	2,243	178	180	146	_	2,747	_	3,552
Revenues - intersegment	**(1)**	**21**	**_**	**45**	**_**	**19**	**(12)**	**52**	**(72)**	**_**
	_	14	_	48	_	29	(63)	14	(28)	_
Revenues	**901**	**205**	**2,297**	**228**	**185**	**21**	**(12)**	**2,719**	**(72)**	**3,753**
	747	72	2,243	226	180	175	(63)	2,761	(28)	3,552
Operating (expenses) income [3]	**(691)**	**(209)**	**(1,095)**	**(123)**	**(78)**	**(34)**	**12**	**(1,318)**	**72**	**(2,146)**
	(579)	(20)	(1,103)	(116)	(99)	(194)	63	(1,449)	28	(2,020)
Depreciation and amortization	**(73)**	**(14)**	**(456)**	**(39)**	**(44)**	**(7)**	**_**	**(546)**	**_**	**(633)**
	(63)	(9)	(439)	(39)	(43)	(9)	_	(530)	_	(602)
Earnings from investment in associate company	**_**	**23**	**_**	**_**	**_**	**_**	**_**	**_**	**_**	**23**
	_	18	_	_	_	_	_	_	_	18
Earnings from investment in joint ventures	**_**	**_**	**47**	**8**	**4**	**_**	**_**	**59**	**_**	**59**
	1	_	41	8	4	_	_	53	_	54
Net finance costs	**(13)**	**(12)**	**(276)**	**(24)**	**(23)**	**(11)**	**_**	**(334)**	**_**	**(359)**
	(10)	(10)	(275)	(22)	(10)	(14)	_	(321)	_	(341)
Earnings (loss) before income taxes	**124**	**(7)**	**517**	**50**	**44**	**(31)**	**_**	**580**	**_**	**697**
	96	51	467	57	32	(42)	_	514	_	661
Income tax (expense) recovery	**(33)**	**6**	**(103)**	**(13)**	**(12)**	**3**	**_**	**(125)**	**_**	**(152)**
	(26)	(3)	(99)	(13)	(10)	6	_	(116)	_	(145)
Earnings (loss) for the period	**91**	**(1)**	**414**	**37**	**32**	**(28)**	**_**	**455**	**_**	**545**
	70	48	368	44	22	(36)	_	398	_	516
Adjusted earnings (loss)	**91**	**30**	**235**	**21**	**32**	**(45)**	**_**	**243**	**_**	**364**
	80	22	224	21	23	(35)	_	233	_	335
Total assets [4]	**1,616**	**1,821**	**19,938**	**2,280**	**1,606**	**1,084**	**(240)**	**24,668**	**(363)**	**27,742**
	1,501	1,714	19,628	2,287	1,543	579	(250)	23,787	(278)	26,724
Capital expenditures [5]	**160**	**22**	**1,041**	**62**	**70**	**12**	**_**	**1,185**	**_**	**1,367**
	120	13	928	53	63	8	_	1,052	_	1,185

Elims - Intersegment Eliminations

(1) Includes the collective results of the Electricity and the Natural Gas operating segments. Details of the results by operating segment included in ATCO Energy Systems are disclosed below.

(2) Commencing in 2025, Canadian Utilities Limited's Corporate & Other segment was renamed to Financing & Other.

(3) Includes total costs and expenses, excluding depreciation and amortization expense.

(4) 2024 comparatives are at December 31, 2024.

(5) Includes additions to property, plant and equipment, intangibles and $23 million of interest capitalized during construction for the nine months ended September 30, 2025 (2024 - $12 million).

Results of the operating segments included in ATCO Energy Systems (AES) for the three months ended September 30 are shown below:

2025	ATCO Energy Systems			
2024	Electricity	Natural Gas	AES Elims	Total
Revenues - external	**358**	**305**	_	**663**
	348	305	_	653
Revenues - intersegment	**3**	**1**	**(4)**	_
	(2)	1	1	_
Revenues	**361**	**306**	**(4)**	**663**
	346	306	1	653
Operating expenses [1]	**(127)**	**(209)**	**4**	**(332)**
	(117)	(208)	(1)	(326)
Depreciation and amortization	**(86)**	**(68)**	_	**(154)**
	(82)	(64)	_	(146)
Earnings from investment in joint ventures	**16**	_	_	**16**
	15	_	_	15
Net finance costs	**(56)**	**(36)**	_	**(92)**
	(57)	(35)	_	(92)
Earnings (loss) before income taxes	**108**	**(7)**	_	**101**
	105	(1)	_	104
Income tax expense (recovery)	**(22)**	**2**	_	**(20)**
	(22)	2	_	(20)
Earnings (loss) for the period	**86**	**(5)**	_	**81**
	83	1	_	84
Adjusted earnings (loss)	**52**	**1**	_	**53**
	52	(3)	_	49
Capital expenditures [2]	**170**	**188**	_	**358**
	195	169	_	364

Elims - Intersegment Eliminations

(1) Includes total costs and expenses, excluding depreciation and amortization expense.

(2) Includes additions to property, plant and equipment, intangibles and $8 million of interest capitalized during construction for the three months ended September 30, 2025 (2024 - $4 million).

Results of the operating segments included in AES for the nine months ended September 30 are shown below:

2025	ATCO Energy Systems			
2024	Electricity	Natural Gas	AES Elims	Total
Revenues - external	**1,081**	**1,216**	**_**	**2,297**
	1,056	1,187	_	2,243
Revenues - intersegment	**6**	**2**	**(8)**	**_**
	4	2	(6)	_
Revenues	**1,087**	**1,218**	**(8)**	**2,297**
	1,060	1,189	(6)	2,243
Operating expenses [1]	**(395)**	**(708)**	**8**	**(1,095)**
	(399)	(710)	6	(1,103)
Depreciation and amortization	**(256)**	**(200)**	**_**	**(456)**
	(249)	(190)	_	(439)
Earnings from investment in joint ventures	**47**	**_**	**_**	**47**
	41	_	_	41
Net finance costs	**(170)**	**(106)**	**_**	**(276)**
	(171)	(104)	_	(275)
Earnings before income taxes	**313**	**204**	**_**	**517**
	282	185	_	467
Income tax expense	**(57)**	**(46)**	**_**	**(103)**
	(58)	(41)	_	(99)
Earnings for the period	**256**	**158**	**_**	**414**
	224	144	_	368
Adjusted earnings	**155**	**80**	**_**	**235**
	151	73	_	224
Total assets [2]	**11,706**	**8,232**	**_**	**19,938**
	11,477	8,152	(1)	19,628
Capital expenditures [3]	**507**	**534**	**_**	**1,041**
	492	436	_	928

Elims - Intersegment Eliminations

(1) Includes total costs and expenses, excluding depreciation and amortization expense.

(2) 2024 comparatives are at December 31, 2024.

(3) Includes additions to property, plant and equipment, intangibles and $21 million of interest capitalized during construction for the nine months ended September 30, 2025 (2024 - $10 million).

ADJUSTED EARNINGS

Adjusted earnings are earnings attributable to Class I and II Shares after adjusting for:

- the timing of revenues and expenses for rate-regulated activities;
- one-time gains and losses;
- unrealized gains and losses on mark-to-market forward and swap commodity contracts;
- impairments; and
- items that are not in the normal course of business or a result of day-to-day operations.

Adjusted earnings are a key measure of segment earnings used by the senior management team (SMT) to assess segment performance and allocate resources. Other accounts in the unaudited interim consolidated financial statements have not been adjusted as they are not used by the SMT for those purposes.

The reconciliation of adjusted earnings and earnings for the three months ended September 30 is shown below:

2025 / 2024	Canadian Utilities Limited							
	Structures & Logistics	ATCO Investments	ATCO Energy Systems	ATCO EnPower	ATCO Australia	Financing & Other	Total	ATCO Total
Adjusted earnings (loss)	**32**	**13**	**53**	**9**	**14**	**(18)**	**58**	**103**
	26	12	49	7	8	(11)	53	91
Restructuring	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	(6)	–	–	–	–	–	–	(6)
Transition of managed IT services	**–**	**–**	**(1)**	**–**	**–**	**–**	**(1)**	**(1)**
	–	–	–	–	–	–	–	–
Unrealized (losses) gains on mark-to-market forward and swap commodity contracts	**–**	**(1)**	**–**	**–**	**–**	**–**	**–**	**(1)**
	–	12	–	–	–	(1)	(1)	11
Rate-regulated activities	**–**	**–**	**(8)**	**–**	**(5)**	**–**	**(13)**	**(13)**
	–	–	(4)	–	(3)	–	(7)	(7)
IT Common Matters decision	**–**	**–**	**(1)**	**–**	**–**	**–**	**(1)**	**(1)**
	–	–	(3)	–	–	–	(3)	(3)
Other [1]	**–**	**(2)**	**–**	**–**	**–**	**–**	**–**	**(2)**
	–	14	–	–	–	(7)	(7)	7
Earnings (loss) attributable to Class I and Class II Shares	**32**	**10**	**43**	**9**	**9**	**(18)**	**43**	**85**
	20	38	42	7	5	(19)	35	93
Earnings attributable to non-controlling interests [1]								**60**
								53
Earnings for the period								**145**
								146

(1) On August 1, 2024, the ownership of ATCO Energy Ltd. was transferred from Canadian Utilities Limited to ATCO Ltd. Canadian Utilities Limited recorded a loss of $14 million ($ 7 million after NCI), which was eliminated on consolidation with ATCO Ltd.

The reconciliation of adjusted earnings and earnings for the nine months ended September 30 is shown below:

2025 / 2024	Structures & Logistics	ATCO Investments	Canadian Utilities Limited: ATCO Energy Systems	ATCO EnPower	ATCO Australia	Financing & Other	Canadian Utilities Limited: Total	ATCO Total
Adjusted earnings (loss)	**91**	**30**	**235**	**21**	**32**	**(45)**	**243**	**364**
	80	22	224	21	23	(35)	233	335
Restructuring	**–**	**(1)**	**(5)**	**(1)**	**(1)**	**–**	**(7)**	**(8)**
	(10)	–	(17)	(1)	(1)	–	(19)	(29)
Transition of managed IT services	**(1)**	**(1)**	**(6)**	**(1)**	**–**	**–**	**(7)**	**(9)**
	–	–	–	–	–	–	–	–
Unrealized (losses) gains on mark-to-market forward and swap commodity contracts	**–**	**(27)**	**–**	**–**	**–**	**–**	**–**	**(27)**
	–	12	–	2	–	(8)	(6)	6
Rate-regulated activities	**–**	**–**	**(7)**	**–**	**(15)**	**–**	**(22)**	**(22)**
	–	–	(5)	–	(10)	–	(15)	(15)
ATCO Electric settlement	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	(4)	–	–	–	(4)	(4)
IT Common Matters decision	**–**	**–**	**(2)**	**–**	**–**	**–**	**(2)**	**(2)**
	–	–	(8)	–	–	–	(8)	(8)
Other [1]	**–**	**(2)**	**–**	**(1)**	**–**	**–**	**(1)**	**(3)**
	–	14	–	–	–	(7)	(7)	7
Earnings (loss) attributable to Class I and Class II Shares	**90**	**(1)**	**215**	**18**	**16**	**(45)**	**204**	**293**
	70	48	190	22	12	(50)	174	292
Earnings attributable to non-controlling interests [1]								**252**
								224
Earnings for the period								**545**
								516

(1) On August 1, 2024, the ownership of ATCO Energy Ltd. was transferred from Canadian Utilities Limited to ATCO Ltd. Canadian Utilities Limited recorded a loss of $14 million ($7 million after NCI), which was eliminated on consolidation with ATCO Ltd.

The reconciliation of adjusted earnings and earnings for the operating segments included in ATCO Energy Systems for the three months ended September 30 are shown below:

2025	ATCO Energy Systems		
2024	Electricity	Natural Gas	Total
Adjusted earnings (loss)	**52**	**1**	**53**
	52	(3)	49
Transition of IT managed services	–	**(1)**	**(1)**
	–	–	–
Rate-regulated activities	**(6)**	**(2)**	**(8)**
	(7)	3	(4)
IT Common Matters decision	**(1)**	–	**(1)**
	(2)	(1)	(3)
Earnings (loss) attributable to Class I and Class II Shares	**45**	**(2)**	**43**
	43	(1)	42

The reconciliation of adjusted earnings and earnings for the operating segments included in ATCO Energy Systems for the nine months ended September 30 are shown below:

2025	ATCO Energy Systems		
2024	Electricity	Natural Gas	Total
Adjusted earnings	**155**	**80**	**235**
	151	73	224
Restructuring	**(3)**	**(2)**	**(5)**
	(7)	(10)	(17)
Transition of IT managed services	**(2)**	**(4)**	**(6)**
	–	–	–
Rate-regulated activities	**(16)**	**9**	**(7)**
	(19)	14	(5)
ATCO Electric settlement	–	–	–
	(4)	–	(4)
IT Common Matters decision	**(2)**	–	**(2)**
	(5)	(3)	(8)
Earnings attributable to Class I and Class II Shares	**132**	**83**	**215**
	116	74	190

Restructuring

In the three and nine months ended September 30, 2025, the Company recorded restructuring costs of nil and $8 million (after-tax and non-controlling interests (NCI)) (2024 - $6 million (after-tax and NCI) and $29 million (after-tax and NCI)) that were mainly related to staff reductions and associated severance costs. This restructuring is a continuation of the restructuring activities that commenced in 2024. As these costs are not in the normal course of business, they have been excluded from adjusted earnings.

Transition of managed IT services

In the three and nine months ended September 30, 2025, the Company recognized IT transition costs of $1 million (after-tax and NCI) and $9 million (after-tax and NCI). The transition costs were primarily related to activities to shift from a single-vendor service provider to a hybrid model of multiple new vendors and internal teams. The transition activities commenced on January 1, 2025 and are expected to be substantially complete in 2025. As these costs are not in the normal course of business, they have been excluded from adjusted earnings.

Unrealized gains and losses on mark-to-market forward and swap commodity contracts

The Company's electricity generation and electricity and natural gas retail businesses enter into fixed-price swap commodity contracts to manage exposure to electricity and natural gas prices and volumes. These contracts are measured at fair value. Unrealized gains and losses due to changes in the fair value of fixed-price swap commodity contracts where hedge accounting is not applied, together with reclassifications of unrealized gains or losses from other comprehensive income or

loss related to both the electricity generation business and retail business are recognized in the ATCO EnPower and ATCO Investments segments, respectively.

The SMT believes that removal of the unrealized gains and losses on mark-to-market forward and swap commodity contracts provides a better representation of operating results for the Company's operations.

Realized gains or losses are recognized in adjusted earnings when the commodity contracts are settled.

Rate-regulated activities

ATCO Electric Transmission, ATCO Electric Distribution, ATCO Electric Yukon, Naka Power Utilities (NWT), Naka Power Utilities (Yellowknife), ATCO Gas, ATCO Pipelines and ATCO Gas Australia are collectively referred to as the Regulated Utilities.

There is currently no specific guidance under IFRS Accounting Standards for rate-regulated entities that the Company is eligible to adopt. In the absence of this guidance, the Regulated Utilities do not recognize assets and liabilities from rate-regulated activities as may be directed by regulatory decisions. Instead, the Regulated Utilities recognize revenues in earnings when amounts are billed to customers, consistent with the regulator-approved rate design. Operating costs and expenses are recorded when incurred. Costs incurred in constructing an asset that meet the asset recognition criteria are included in the related property, plant and equipment or intangible asset.

The Company considers standards issued by the Financial Accounting Standards Board (FASB) in the United States as another source of generally accepted accounting principles taking into account a more likely than not recognition threshold in accounting for rate-regulated activities in its internal reporting provided to the SMT. The SMT believes that earnings presented in this manner are a better representation of the operating results of the Company's rate-regulated activities. Therefore, the Company presents adjusted earnings as part of its segmented disclosures on this basis. Rate-regulated accounting (RRA) standards impact the timing of how certain revenues and expenses are recognized when compared to non-rate regulated activities, to appropriately reflect the economic impact of a regulator's decisions on revenues.

Rate-regulated activities - Second Generation Performance Based Regulation (PBR2) Re-openers

In June 2023, the Alberta Utilities Commission (AUC) initiated a proceeding for ATCO Electric Distribution and ATCO Gas as the re-opener clause was triggered by both utilities' earnings in 2022, the final year of PBR2. The PBR2 re-opener thresholds were triggered as a result of both utilities' earnings being either +/- 500 basis points from the approved Return-On-Equity (ROE) in one year or +/- 300 basis points from the approved ROE in two consecutive years.

On May 22, 2024, the AUC issued a decision to re-open the PBR2 plan and advanced to the second phase of the proceeding (Phase I Decision). The AUC claimed that the distribution businesses failed to quantify or attribute all efficiency gains under PBR2 to specific programs or initiatives. An appeal with the Alberta Court of Appeal (ACA) was filed on the Phase I Decision of the proceeding.

On May 28, 2025, the AUC issued a second decision related to the PBR2 re-opener proceeding to refund $35 million to the customers of ATCO Electric Distribution and $36 million to the customers of ATCO Gas over a six-month period, from September 1, 2025 to February 28, 2026 (Phase II Decision). In regard to the Phase II Decision, a review and variance and a permission to appeal (PTA) were filed with the AUC and the ACA, respectively, on June 27, 2025. On September 22, 2025, the PTA of the Phase II Decision was granted by the ACA. The Phase I and Phase II appeals have been combined into a single proceeding before the ACA and will be heard in April 2026. On October 6, 2025, the AUC denied the application to review and vary the Phase II Decision.

ATCO Electric Distribution and ATCO Gas were the only utilities in Alberta to lower rates in 2023 due to efficiencies being passed onto customers. The after-the-fact requirement to track cost efficiencies at a granular level is inconsistent with the Performance Based Regulation principles and past AUC decisions. As ATCO Electric Distribution and ATCO Gas are appealing the Phase I and Phase II Decisions of the PBR2 re-opener proceeding with the ACA, and the Company believes it will more likely than not succeed on appeal, no impact to Adjusted Earnings has been recognized for the three and nine months ended September 30, 2025 related to the PBR2 re-opener decisions.

Rate-regulated activities - Timing Adjustments

Rate-regulated accounting differs from IFRS Accounting Standards in the following ways:

	Timing Adjustment	Items	RRA Treatment	IFRS Accounting Standards Treatment
1.	Additional revenues billed in current period	Future removal and site restoration costs, and impact of colder temperatures.	The Company defers the recognition of cash received in advance of future expenditures.	The Company recognizes revenues when amounts are billed to customers and costs when they are incurred.
2.	Revenues to be billed in future periods	Deferred income taxes, impact of warmer temperatures, and impact of inflation on rate base.	The Company recognizes revenues associated with recoverable costs in advance of future billings to customers.	The Company recognizes costs when they are incurred, but does not recognize their recovery until customer rates are changed and amounts are collected through future billings.
3.	Regulatory decisions received	Regulatory decisions received which relate to current and prior periods.	The Company recognizes the earnings from a regulatory decision pertaining to current and prior periods when the decision is received.	The Company does not recognize earnings from a regulatory decision when it is received as regulatory assets and liabilities are not recorded under IFRS Accounting Standards.
4.	Settlement of regulatory decisions and other items	Settlement of amounts receivable or payable to customers and other items.	The Company recognizes the amount receivable or payable to customers as a reduction in its regulatory assets and liabilities when collected or refunded through future billings.	The Company recognizes earnings when customer rates are changed and amounts are recovered or refunded to customers through future billings.

The significant timing adjustments as a result of the differences between rate-regulated accounting and IFRS Accounting Standards are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Additional revenues billed in current period				
Future removal and site restoration costs [1]	**19**	16	**53**	49
Revenues to be billed in future periods				
Deferred income taxes [2]	**(19)**	(17)	**(55)**	(50)
Impact of warmer temperatures [3]	**(3)**	(2)	**(7)**	–
Impact of inflation on rate base [4]	**(3)**	(3)	**(9)**	(8)
Settlement of regulatory decisions and other items				
PBR2 re-opener proceeding refund to customers [5]	**(4)**	–	**(4)**	–
Other	**(3)**	(1)	**–**	(6)
	(13)	(7)	**(22)**	(15)

(1) Removal and site restoration costs are billed to customers over the estimated useful life of the related assets based on forecast costs to be incurred in future periods.

(2) Income taxes are billed to customers when paid by the Company.

(3) ATCO Gas Distribution's customer rates are based on a forecast of normal temperatures. Fluctuations in temperatures may result in more or less revenue being recovered from customers than forecast. Revenues above or below the normal temperatures in the current period are refunded to or recovered from customers in future periods.

(4) The inflation-indexed portion of ATCO Gas Australia's (part of ATCO Australia) rate base is billed to customers through the recovery of depreciation in subsequent periods based on the actual or forecasted annual rate of inflation. Under rate-regulated accounting, revenue is recognized in the current period for the inflation component of rate base when it is earned. Differences between the amounts earned and the amounts billed to customers are deferred and recognized in revenues over the service life of the related asset.

(5) In connection with the PBR2 re-opener proceeding (Phase II Decision), ATCO Electric Distribution and ATCO Gas Distribution refunded $2 million (after-tax and NCI) and $2 million (after-tax and NCI), respectively, to customers for the three and nine months ended September 30, 2025.

ATCO Electric settlement

On June 24, 2024, AUC Enforcement and ATCO Electric filed a joint submission seeking the AUC's approval of a settlement agreement involving two historical matters ATCO Electric had previously identified and self-reported to AUC Enforcement staff. The settlement agreement included an administrative penalty of $3 million, and a refund to customers through a billing adjustment to the Alberta Electric System Operator of $4 million. On September 25, 2024, the AUC approved the settlement agreement as filed.

In the nine months ended September 30, 2024, the Company recognized costs of $4 million (after-tax and NCI) related to ATCO Electric's settlement application. These costs were comprised of the administrative penalty, refund to customers and legal and other costs related to the settlement agreement. As these costs are not in the normal course of business, they were excluded from adjusted earnings.

IT Common Matters decision

Consistent with the treatment of the gain on sale in 2014 from the IT services business by the Company, financial impacts associated with the IT Common Matters decision are excluded from adjusted earnings. The amount excluded from adjusted earnings in the three and nine months ended September 30, 2025 was $1 million (after-tax and NCI) and $2 million (after-tax and NCI) (2024 - $3 million (after-tax and NCI) and $8 million (after-tax and NCI)).

SEGMENT INFORMATION FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Results by operating segment for the year ended December 31 reflecting the change in segments are shown below:

2024			Canadian Utilities Limited							
2023	Structures & Logistics	ATCO Investments	ATCO Energy Systems [1]	ATCO EnPower	ATCO Australia	Financing & Other	CU Elims	Total	ATCO Elims	ATCO Total
Revenues - external	**1,114**	**133**	**3,071**	**236**	**241**	**147**	**–**	**3,695**	**–**	**4,942**
	926	34	2,968	272	225	316	–	3,781	–	4,741
Revenues - intersegment	**–**	**20**	**–**	**77**	**–**	**37**	**(67)**	**47**	**(67)**	**–**
	–	16	–	74	–	68	(127)	15	(31)	–
Revenues	**1,114**	**153**	**3,071**	**313**	**241**	**184**	**(67)**	**3,742**	**(67)**	**4,942**
	926	50	2,968	346	225	384	(127)	3,796	(31)	4,741
Operating (expenses) income [1]	**(884)**	**(1)**	**(1,513)**	**(178)**	**(144)**	**(280)**	**67**	**(2,048)**	**67**	**(2,866)**
	(720)	(24)	(1,453)	(218)	(150)	(122)	127	(1,816)	31	(2,529)
Depreciation, amortization and impairment	**(87)**	**(13)**	**(587)**	**(54)**	**(58)**	**(12)**	**–**	**(711)**	**–**	**(811)**
	(77)	(9)	(608)	(47)	(53)	(17)	–	(725)	–	(811)
Earnings from investment in associate company	**–**	**24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**24**
	–	22	–	–	–	–	–	–	–	22
Earnings from investment in joint ventures	**–**	**–**	**57**	**11**	**5**	**–**	**–**	**73**	**–**	**73**
	6	–	50	10	6	–	–	66	–	72
Net finance costs	**(15)**	**(15)**	**(371)**	**(31)**	**(14)**	**(16)**	**–**	**(432)**	**–**	**(462)**
	(16)	(12)	(359)	(25)	(13)	(9)	–	(406)	–	(434)
Earnings (loss) before income taxes	**128**	**148**	**657**	**61**	**30**	**(124)**	**–**	**624**	**–**	**900**
	119	27	598	66	15	236	–	915	–	1,061
Income tax (expense) recovery	**(34)**	**(22)**	**(135)**	**(13)**	**(8)**	**23**	**–**	**(133)**	**–**	**(189)**
	(44)	–	(121)	(15)	(5)	(57)	–	(198)	–	(242)
Earnings (loss) for the year	**94**	**126**	**522**	**48**	**22**	**(101)**	**–**	**491**	**–**	**711**
	75	27	477	51	10	179	–	717	–	819
Adjusted earnings (loss)	**104**	**37**	**333**	**23**	**25**	**(41)**	**–**	**340**	**–**	**481**
	90	27	302	24	32	(43)	–	315	–	432
Total assets	**1,501**	**1,714**	**19,628**	**2,287**	**1,543**	**579**	**(250)**	**23,787**	**(278)**	**26,724**
	1,283	1,186	18,619	2,340	1,557	896	(254)	23,158	(269)	25,358
Capital expenditures [2]	**182**	**27**	**1,399**	**104**	**89**	**19**	**–**	**1,611**	**–**	**1,820**
	198	28	1,130	139	83	8	–	1,360	–	1,586

Elims = Intersegment Eliminations

(1) Includes total costs and expenses, excluding depreciation, amortization and impairment expense.

(2) Includes additions to property, plant and equipment, intangibles and $16 million of interest capitalized during construction for the year ended December 31, 2024 (2023 - $21 million).

4. REVENUES

The Company disaggregates revenues based on the nature of revenue streams. The disaggregation of revenues by each operating segment for the three months ended September 30 is shown below:

2025 / 2024	Structures & Logistics	ATCO Investments [1]	ATCO Energy Systems: Electricity [3]	ATCO Energy Systems: Natural Gas [3]	ATCO Energy Systems: Total	ATCO EnPower	ATCO Australia [4]	CU Financing & Other [1][2]	Total
Revenue Streams									
Rendering of Services									
Distribution services	–	–	**149**	**164**	**313**	–	**59**	–	**372**
	–	–	143	169	312	–	50	–	362
Transmission services	–	–	**167**	**92**	**259**	–	–	–	**259**
	–	–	166	87	253	–	–	–	253
Modular structures - services	**107**	–	–	–	–	–	–	–	**107**
	69	–	–	–	–	–	–	–	69
Logistics and facility operations and maintenance services	**29**	–	–	–	–	–	–	–	**29**
	23	–	–	–	–	–	–	–	23
Lodging and support	**33**	–	–	–	–	–	–	–	**33**
	31	–	–	–	–	–	–	–	31
Customer contributions	–	–	**10**	**5**	**15**	–	**1**	–	**16**
	–	–	10	5	15	–	1	–	16
Franchise fees	–	–	**11**	**41**	**52**	–	–	–	**52**
	–	–	10	40	50	–	–	–	50
Retail electricity and natural gas services	–	**44**	–	–	–	–	–	–	**44**
	–	20	–	–	–	–	–	22	42
Storage and industrial water	–	–	–	–	–	**28**	–	–	**28**
	–	–	–	–	–	25	–	–	25
Total rendering of services	**169**	**44**	**337**	**302**	**639**	**28**	**60**	–	**940**
	123	20	329	301	630	25	51	22	871
Sale of Goods									
Electricity generation and delivery	–	–	–	–	–	**26**	**1**	–	**27**
	–	–	–	–	–	23	1	–	24
Commodity sales	–	**12**	–	–	–	–	–	–	**12**
	–	10	–	–	–	5	–	–	15
Modular structures - goods	**110**	–	–	–	–	–	–	–	**110**
	100	–	–	–	–	–	–	–	100
Total sale of goods	**110**	**12**	–	–	–	**26**	**1**	–	**149**
	100	10	–	–	–	28	1	–	139
Lease income									
Finance lease	–	–	**2**	–	**2**	–	**2**	–	**4**
	–	–	1	–	1	–	2	–	3
Operating lease	**54**	–	–	–	–	–	–	–	**54**
	51	–	–	–	–	–	–	–	51
Total lease income	**54**	–	**2**	–	**2**	–	**2**	–	**58**
	51	–	1	–	1	–	2	–	54
Other [5]	**5**	**3**	**19**	**3**	**22**	**2**	**5**	–	**37**
	2	8	18	4	22	8	11	1	52
Total	**338**	**59**	**358**	**305**	**663**	**56**	**68**	–	**1,184**
	276	38	348	305	653	61	65	23	1,116

(1) For the period from January 1, 2024 until the date of transfer on August 1, 2024 to ATCO Ltd., Retail Energy business activities were reported in the CU Financing & Other segment. For the three months ended September 30, 2025, $19 million of unbilled revenue from retail electricity and natural gas energy services is reported in the ATCO Investments segment (2024 - $15 million reported in the ATCO Investments segment).

(2) Commencing in 2025, Canadian Utilities Limited's Corporate & Other segment was renamed to Financing & Other.

(3) For the three months ended September 30, 2025, Electricity and Natural Gas segments include $87 million of unbilled revenue (2024 - $94 million).

(4) For the three months ended September 30, 2025, ATCO Australia segment includes $29 million of unbilled revenue (2024 - $23 million).

(5) *Other revenues include revenues generated from electricity and natural gas infrastructure installation services, management fees from joint ventures, facility charge agreements and maintenance services rendered to certain customers.*

The disaggregation of revenues by each operating segment for the nine months ended September 30 is shown below:

2025 / 2024	Structures & Logistics	ATCO Investments [1]	ATCO Energy Systems: Electricity [3]	ATCO Energy Systems: Natural Gas [3]	ATCO Energy Systems: Total	ATCO EnPower	ATCO Australia [4]	CU Financing & Other [1] [2]	Total
Revenue Streams									
Rendering of Services									
Distribution services	**–**	**–**	**462**	**720**	**1,182**	**–**	**157**	**–**	**1,339**
	–	–	432	708	1,140	–	135	–	1,275
Transmission services	**–**	**–**	**501**	**275**	**776**	**–**	**–**	**–**	**776**
	–	–	500	266	766	–	–	–	766
Modular structures - services	**268**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**268**
	188	–	–	–	–	–	–	–	188
Logistics and facility operations and maintenance services	**79**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**79**
	68	–	–	–	–	–	–	–	68
Lodging and support	**87**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**87**
	87	–	–	–	–	–	–	–	87
Customer contributions	**–**	**–**	**27**	**17**	**44**	**–**	**2**	**–**	**46**
	–	–	29	16	45	–	3	–	48
Franchise fees	**–**	**–**	**31**	**196**	**227**	**–**	**–**	**–**	**227**
	–	–	30	187	217	–	–	–	217
Retail electricity and natural gas services	**–**	**136**	**–**	**–**	**–**	**–**	**–**	**–**	**136**
	–	20	–	–	–	–	–	142	162
Storage and industrial water	**–**	**–**	**–**	**–**	**–**	**84**	**–**	**–**	**84**
	–	–	–	–	–	72	–	–	72
Total rendering of services	**434**	**136**	**1,021**	**1,208**	**2,229**	**84**	**159**	**–**	**3,042**
	343	20	991	1,177	2,168	72	138	142	2,883
Sale of Goods									
Electricity generation and delivery	**–**	**–**	**–**	**–**	**–**	**63**	**5**	**–**	**68**
	–	–	–	–	–	67	6	–	73
Commodity sales	**–**	**28**	**–**	**–**	**–**	**19**	**–**	**–**	**47**
	–	24	–	–	–	19	–	–	43
Modular structures - goods	**301**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**301**
	253	–	–	–	–	–	–	–	253
Total sale of goods	**301**	**28**	**–**	**–**	**–**	**82**	**5**	**–**	**416**
	253	24	–	–	–	86	6	–	369
Lease income									
Finance lease	**–**	**–**	**4**	**–**	**4**	**–**	**5**	**–**	**9**
	–	–	1	–	1	2	6	–	9
Operating lease	**158**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**158**
	146	–	–	–	–	–	–	–	146
Total lease income	**158**	**–**	**4**	**–**	**4**	**–**	**5**	**–**	**167**
	146	–	1	–	1	2	6	–	155
Other [5]	**9**	**20**	**56**	**8**	**64**	**17**	**16**	**2**	**128**
	5	14	64	10	74	18	30	4	145
Total	**902**	**184**	**1,081**	**1,216**	**2,297**	**183**	**185**	**2**	**3,753**
	747	58	1,056	1,187	2,243	178	180	146	3,552

(1) *For the period from January 1, 2024 until the date of transfer on August 1, 2024 to ATCO Ltd., Retail Energy business activities were reported in the CU Financing & Other segment. For the nine months ended September 30, 2025, $19 million of unbilled revenue from retail electricity and natural gas energy services is reported in the ATCO Investments segment (2024 - $15 million). At September 30, 2025, $19 million of the unbilled revenue is included in ATCO Investments' accounts receivable and contract assets (2024 - $15 million).*

(2) *Commencing in 2025, Canadian Utilities Limited's Corporate & Other segment was renamed to Financing & Other.*

(3) *For the nine months ended September 30, 2025, Electricity and Natural Gas segments include $87 million of unbilled revenue (2024 - $94 million). At September 30, 2025, $87 million of the unbilled revenue is included in accounts receivable and contract assets (2024 - $94 million).*

(4) *For the nine months ended September 30, 2025, ATCO Australia segment includes $29 million of unbilled revenue (2024 - $23 million). At September 30, 2025, $29 million of the unbilled revenue is included in accounts receivable and contract assets (2024 - $23 million).*

(5) *Other revenues include revenues generated from electricity and natural gas infrastructure installation services, management fees from joint ventures, facility charge agreements and maintenance services rendered to certain customers.*

5. EARNINGS PER SHARE

Earnings per Class I Non-Voting (Class I) and Class II Voting (Class II) Share are calculated by dividing the earnings attributable to Class I and Class II Shares by the weighted average shares outstanding. Diluted earnings per share are calculated using the treasury stock method, which reflects the potential exercise of stock options on the weighted average Class I and Class II Shares outstanding.

The earnings and average number of shares used to calculate earnings per share are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Average shares				
Weighted average shares outstanding	**112,354,296**	112,169,320	**112,337,899**	112,162,384
Effect of dilutive stock options	**459,000**	144,929	**327,603**	66,934
Weighted average dilutive shares outstanding	**112,813,296**	112,314,249	**112,665,502**	112,229,318
Earnings for earnings per share calculation				
Earnings for the period	**145**	146	**545**	516
Non-controlling interests	**(60)**	(53)	**(252)**	(224)
Earnings attributable to Class I and Class II Shares	**85**	93	**293**	292
Earnings and diluted earnings per Class I and Class II Share				
Earnings per Class I and Class II Share	**$0.76**	$0.83	**$2.61**	$2.60
Diluted earnings per Class I and Class II Share	**$0.75**	$0.83	**$2.60**	$2.60

6. PROPERTY, PLANT AND EQUIPMENT

A reconciliation of the changes in the carrying amount of property, plant and equipment is as follows:

	Utility Transmission & Distribution	Energy Generation & Storage	Land and Buildings	Construction Work-in-Progress	Rental Assets	Other	Total
Cost							
December 31, 2024	24,269	1,560	1,138	844	1,083	989	29,883
Additions	**_**	**_**	**1**	**1,144**	**126**	**7**	**1,278**
Transfers	**754**	**10**	**14**	**(829)**	**2**	**49**	**_**
Retirements and disposals	**(68)**	**_**	**(16)**	**(2)**	**(64)**	**(47)**	**(197)**
Foreign exchange rate adjustment	**43**	**9**	**2**	**1**	**(10)**	**4**	**49**
Changes to asset retirement costs	**_**	**(5)**	**_**	**_**	**_**	**(1)**	**(6)**
September 30, 2025	**24,998**	**1,574**	**1,139**	**1,158**	**1,137**	**1,001**	**31,007**
Accumulated depreciation							
December 31, 2024	6,671	287	293	_	320	524	8,095
Depreciation	**420**	**35**	**19**	**_**	**49**	**50**	**573**
Retirements and disposals	**(68)**	**_**	**(14)**	**_**	**(29)**	**(44)**	**(155)**
Foreign exchange rate adjustment	**12**	**3**	**1**	**_**	**(2)**	**4**	**18**
September 30, 2025	**7,035**	**325**	**299**	**_**	**338**	**534**	**8,531**
Net book value							
December 31, 2024	17,598	1,273	845	844	763	465	21,788
September 30, 2025	**17,963**	**1,249**	**840**	**1,158**	**799**	**467**	**22,476**

The additions to property, plant and equipment included $18 million of interest capitalized during construction for the nine months ended September 30, 2025 (2024 - $11 million).

7. LONG-TERM DEBT

CORPORATE LONG-TERM DEBT ISSUANCES AND REPAYMENTS

ATCO Ltd.

In May 2025, ATCO Ltd. issued $250 million of 3.878 per cent senior unsecured notes maturing on May 27, 2030. The proceeds from the issuance were used to repay outstanding indebtedness under its extendible revolving credit facilities that bear interest at Canadian Overnight Repo Rate Average (CORRA) plus an applicable margin.

Canadian Utilities Limited

In September 2025, the Canadian Utilities Limited issued $750 million of 5.45 per cent subordinated unsecured fixed-to-fixed rate notes maturing December 22, 2055. The interest rate on the subordinated notes will reset on December 22, 2035, and on every fifth anniversary thereafter until maturity, at an interest rate equal to the five-year Government of Canada yield plus 2.197 per cent, subject to a minimum of 5.45 per cent per annum. The proceeds from the issuance will be used for capital expenditures, repayment of outstanding indebtedness and for other general corporate purposes.

In June 2025, Canadian Utilities Limited issued $300 million of 4.412 per cent unsecured debentures maturing on June 24, 2035. The proceeds from the issuance were used to repay outstanding indebtedness under its extendible revolving credit facility that bears interest at CORRA plus an applicable margin.

CU Inc.

In September 2025, CU Inc., a wholly owned subsidiary of Canadian Utilities Limited, issued $370 million of 4.787 per cent debentures maturing on September 16, 2055 (2024 - In September 2024, CU Inc. issued $410 million of 4.664 per cent debentures maturing September 11, 2054).

In March 2025, CU Inc. initially borrowed $18 million from its $155 million non-revolving unsecured amortizing credit facility with a bank lender to support the construction of the Central East Transfer-Out (CETO) Project within the Electricity Transmission business of the ATCO Energy Systems operating segment (CETO Project Debt). Quarterly repayments on the credit facility commence once the CETO Project reaches commercial operations and continue until June 30, 2056. The CETO Project Debt bears a fixed interest rate of 2.17 per cent. Additional draws from the facility are expected in the fourth quarter of 2025 and in 2026 as construction progresses.

In March 2024, CU Inc. repaid $120 million of 6.215 per cent unsecured debentures.

SUBSIDIARIES LONG-TERM DEBT ISSUANCES AND REPAYMENTS

In September 2025, Electricidad del Golfo, S. de R.L. de C.V., an indirect wholly owned subsidiary of Canadian Utilities Limited, fully repaid the outstanding balance of $335 million Mexican pesos (equivalent of $25 million Canadian dollars) from its non-revolving credit facility, which was scheduled to mature on November 21, 2025.

In June 2024, ATCO Gas Australia Pty Ltd, an indirect wholly owned subsidiary of Canadian Utilities Limited, refinanced its $350 million Australian dollars (equivalent of $318 million Canadian dollars) unsecured revolving credit facility (Tranche A) at BBSY (Bank Bill Swap Bid Rate) plus an applicable margin, extending the credit facility's maturity from August 4, 2024 to June 27, 2027. The available amount under the facility also increased by $50 million Australian dollars (equivalent of $45 million Canadian dollars) to $400 million Australian dollars (equivalent of $363 million Canadian dollars). The variable BBSY interest rate was hedged to December 31, 2029 with an interest rate swap agreement which fixes the interest rate at 4.61 per cent.

8. CLASS I AND CLASS II SHARES

ISSUED AND OUTSTANDING

At September 30, 2025, there were 99,666,266 (December 31, 2024 - 99,810,591) Class I shares and 12,424,987 (December 31, 2024 - 12,424,987) Class II shares outstanding. In addition, there were 3,167,975 options to purchase Class I shares outstanding at September 30, 2025, under the Company's stock option plan (December 31, 2024 - 2,837,650).

For the three and nine months ended September 30, 2025, 83,274 and 369,175 stock options (2024 - 29,750 and 29,750 stock options) were exercised, resulting in the issuance of an additional 83,274 and 369,175 Class I shares (2024 - 29,750 and 29,750 Class I shares) for proceeds of $3 million and $16 million (2024 - $1 million and $1 million).

DIVIDENDS

The Company declared and paid cash dividends of $0.5045 and $1.5135 per Class I and Class II share for the three and nine months ended September 30, 2025 (2024 - $0.4898 and $1.4694). The Company's policy is to pay dividends quarterly on its Class I and Class II shares. The payment of any dividend is at the discretion of the Board and depends on the financial condition of the Company and other factors.

On October 9, 2025, the Company declared a fourth quarter dividend of $0.5045 per Class I and Class II share, payable on December 31, 2025 to share owners of record as of December 4, 2025.

NORMAL COURSE ISSUER BID

On March 13, 2025, the Company began a normal course issuer bid (NCIB) to purchase up to 1,996,301 outstanding Class I shares. The bid will expire on March 12, 2026. The prior year NCIB to purchase up to 1,994,677 outstanding Class I shares began on March 13, 2024 and expired on March 12, 2025.

For the three and nine months ended September 30, 2025, 513,500 Class I shares were purchased for $26 million resulting in a decrease to share capital of $1 million and a decrease to retained earnings of $25 million (2024 - no Class I shares were purchased).

PROPOSED PLAN OF ARRANGEMENT

On October 29, 2025, the Company announced that it has determined to make an exchange proposal to the holders of Class II Shares, other than Sentgraf Enterprises Ltd. (the "Controlling Class II Share Owner"). Subject to the approval of the holders of Class II Shares, the transaction will be effected by way of a plan of arrangement (the "Arrangement").

Under the terms of the Arrangement, each Class II Share held by a Class II Share Owner, other than the Controlling Class II Share Owner, will be exchanged for 1.15 Class I Shares of ATCO.

In addition to the required approvals of the Class II Share Owners, closing of the Arrangement is also subject to obtaining approval of the Court of King's Bench of Alberta and the Toronto Stock Exchange, as well as other customary closing conditions.

If all approvals are received and other closing conditions are satisfied, the Arrangement is expected to be completed in the fourth quarter of 2025.

9. CASH FLOW INFORMATION

ADJUSTMENTS TO RECONCILE EARNINGS TO CASH FLOWS FROM OPERATING ACTIVITIES

Adjustments to reconcile earnings to cash flows from operating activities are summarized below.

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	**2024**	**2025**	**2024**
Depreciation and amortization	**213**	202	**633**	602
Earnings from investment in associate company	**(8)**	(7)	**(23)**	(18)
Dividends received from associate company	**–**	–	**17**	16
Earnings from investment in joint ventures	**(19)**	(17)	**(59)**	(54)
Dividends and distributions received from investment in joint ventures	**19**	18	**61**	59
Income tax expense	**43**	35	**152**	145
Unrealized losses (gains) on derivative financial instruments	**2**	(16)	**34**	(6)
Contributions by customers for extensions to plant	**29**	20	**97**	81
Amortization of customer contributions	**(16)**	(16)	**(46)**	(48)
Net finance costs	**123**	116	**359**	341
Income taxes (paid) recovered	**(3)**	1	**(52)**	(45)
Interest received	**11**	20	**42**	60
Other	**8**	14	**31**	30
	402	370	**1,246**	1,163

CASH POSITION

Cash position at September 30 is comprised of:

	2025	**2024**
Cash	**925**	247
Short-term investments	**1**	1
Restricted cash [(1)]	**17**	26
Cash and cash equivalents	**943**	274
Bank indebtedness [(2)]	**(41)**	(2)
	902	272

(1) Cash balances which are restricted under the terms of joint arrangement agreements are considered not available for general use by the Company.

(2) The Company has cash pooling arrangements with certain banks that are used to manage working capital requirements. This allows individual bank accounts participating in these arrangements to be overdrawn from time to time.

10. FINANCIAL INSTRUMENTS

FAIR VALUE MEASUREMENT

Financial instruments are measured at amortized cost or fair value. Fair value represents the estimated amounts at which financial instruments could be exchanged between knowledgeable and willing parties in an arm's length transaction. Determining fair value requires management judgment. The valuation methods used to determine the fair value of each financial instrument and its associated level in the fair value hierarchy is described below.

Financial Instruments	Fair Value Method
Measured at Amortized Cost	
Cash and cash equivalents, accounts receivable and contract assets, bank indebtedness and accounts payable and accrued liabilities	Assumed to approximate carrying value due to their short-term nature.
Finance lease receivables	Determined using a risk-adjusted interest rate to discount future cash receipts (Level 2).
Long-term debt and long-term advances due from joint venture	Determined using quoted market prices for the same or similar issues. Where the market prices are not available, fair values are estimated using discounted cash flow analysis based on the Company's current borrowing rate for similar borrowing arrangements (Level 2).
Measured at Fair Value	
Marketable securities	Determined using quoted market prices for the same or similar securities or alternative pricing sources and models with inputs validated by publicly available market providers (Level 2).
Interest rate swaps	Determined using interest rate forward rate yield curves at period-end (Level 2).
Foreign currency contracts	Determined using quoted forward exchange rates at period-end (Level 2).
Commodity contracts	Determined using observable period-end forward curves and quoted spot market prices with inputs validated by publicly available market providers (Level 2). Determined using statistical techniques to derive period-end forward curves using unobservable inputs or extrapolation from spot or forward prices in certain commodity contracts (Level 3).

FINANCIAL INSTRUMENTS MEASURED AT AMORTIZED COST

The fair values of the Company's financial instruments measured at amortized cost are as follows:

	September 30, 2025		December 31, 2024	
Recurring Measurements	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Finance lease receivables	**117**	**135**	125	145
Long-term advances due from joint venture [1]	**33**	**31**	35	33
Financial Liabilities				
Long-term debt	**12,734**	**12,233**	11,551	11,184

(1) Long-term advances due from joint venture of $33 million (December 31, 2024 - $35 million) are recorded in other assets in the consolidated balance sheets.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Marketable securities

At September 30, 2025 and December 31, 2024, the Company's marketable securities measured at fair value include investment grade corporate bonds and debentures, private fixed income funds, bank loans and commercial mortgage funds, and government bonds.

Derivative financial instruments

At September 30, 2025 and December 31, 2024, the Company's derivative financial instruments measured at fair value include the following:

- interest rate swaps for the purpose of limiting interest rate risk on the variable future cash flows of long-term debt;
- foreign currency forward contracts for the purpose of limiting exposure to exchange rate fluctuations; and
- natural gas and power forward sale and purchase contracts for the purpose of limiting exposure to electricity and natural gas market price movements.

The balance sheet classification and fair values of the Company's derivative financial instruments are as follows:

	Level 2			Level 3		
	Subject to Hedge Accounting			Subject to Hedge Accounting [1]	Not Subject to Hedge Accounting [2]	
Recurring Measurements	Interest Rate Swaps	Commodities [1]	Foreign Currency Forward Contracts	Commodities		Total Fair Value of Derivatives
September 30, 2025						
Financial Assets						
Prepaid expenses and other current assets	–	**2**	–	–	**58**	**60**
Other assets	**2**	**3**	–	**112**	**35**	**152**
Financial Liabilities						
Provisions and other current liabilities	**2**	**39**	–	–	–	**41**
Other liabilities	**5**	**21**	–	–	–	**26**
December 31, 2024						
Financial Assets						
Prepaid expenses and other current assets	4	4	1	–	66	75
Other assets	7	1	–	131	61	200
Financial Liabilities						
Provisions and other current liabilities	1	50	–	–	–	51
Other liabilities	4	40	–	–	–	44

(1) Derivative financial instruments that are subject to hedge accounting are related to Canadian Utilities Limited's renewable virtual power purchase agreements (PPAs) in its electricity generation business (Level 3) (reported in ATCO EnPower operating segment) and the Company's supply contracts in its retail electricity and natural gas business (Level 2) (reported in ATCO Investments operating segment). Under the PPAs, Canadian Utilities Limited will receive a fixed price per megawatt hour (MWh) and pay the settled price per MWh from the Alberta Electric System Operator (AESO) as well as deliver the related renewable energy credits to the PPA counterparty customers. The energy components of the PPAs were designated as cash flow hedges for accounting purposes.

(2) Derivative financial instruments that are not subject to hedge accounting are related to customer contracts in the Company's retail electricity and natural gas business (Level 3) (reported in ATCO Investments operating segment).

A reconciliation of the changes in the Company's derivative financial instruments classified as Level 3 for the nine months ended September 30, 2025 is as follows:

	Subject to Hedge Accounting	Not Subject to Hedge Accounting	Total
December 31, 2024 [1]	131	127	258
Settlement of derivative contracts	**(15)**	**(69)**	**(84)**
Gains recognized in earnings	**–**	**35**	**35**
Losses recognized in other comprehensive income	**(4)**	**–**	**(4)**
September 30, 2025 [1]	**112**	**93**	**205**

(1) Net financial (liabilities) assets classified as Level 3 at end of the period.

For the three months ended September 30, the following realized and unrealized gains and losses on derivative financial instruments were recognized in the unaudited interim consolidated statements of earnings:

	2025			2024		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Realized gains (losses)						
Revenues	**1**	**4**	**5**	1	3	4
Fuel costs	**1**	**–**	**1**	(17)	–	(17)
Purchased power	**(8)**	**–**	**(8)**	8	–	8
Derivative financial instruments [1]	**–**	**16**	**16**	2	18	20
Interest expense	**–**	**–**	**–**	6	–	6
	(6)	**20**	**14**	–	21	21
Unrealized (losses) gains						
Derivative financial instruments [1]	**–**	**(2)**	**(2)**	–	16	16
Total	**(6)**	**18**	**12**	–	37	37

(1) Realized derivative financial instruments gains (losses) and unrealized gains (losses) are included in the derivative financial instruments gains (losses) in the unaudited interim consolidated statements of earnings.

For the nine months ended September 30, the following realized and unrealized gains and losses on derivative financial instruments were recognized in the unaudited interim consolidated statements of earnings:

	2025			2024		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Realized gains (losses)						
Revenues	**1**	**10**	**11**	1	8	9
Fuel costs	**(17)**	**–**	**(17)**	(15)	–	(15)
Purchased power	**(23)**	**–**	**(23)**	(4)	–	(4)
Derivative financial instruments [1]	**(1)**	**74**	**73**	(1)	52	51
Interest expense	**3**	**–**	**3**	18	–	18
	(37)	**84**	**47**	(1)	60	59
Unrealized (losses) gains						
Derivative financial instruments [1]	**–**	**(34)**	**(34)**	–	6	6
Total	**(37)**	**50**	**13**	(1)	66	65

(1) Realized derivative financial instruments gains (losses) and unrealized (losses) gains are included in the derivative financial instruments gains (losses) in the unaudited interim consolidated statements of earnings.

Notional and maturity summary

The notional value and maturity dates of the Company's derivative financial instruments outstanding are as follows:

	Subject to Hedge Accounting				Not Subject to Hedge Accounting	
Notional value and maturity	Interest Rate Swaps	Natural Gas [1]	Power [2]	Foreign Currency Forward Contracts	Natural Gas [1]	Power [2]
September 30, 2025						
Purchases [3]	–	**26,178,940**	**2,805,745**	–	–	–
Sales [3]	–	**667,956**	**8,984,941**	–	**23,934,979**	**2,765,598**
Currency						
Canadian dollars	**193**	–	–	–	–	–
Australian dollars	**754**	–	–	–	–	–
U.S. dollars	–	–	–	**19**	–	–
Mexican pesos	–	–	–	**10**	–	–
Maturity	**2025-2036**	**2025-2030**	**2025-2038**	**2025-2026**	**2025-2030**	**2025-2030**
December 31, 2024						
Purchases [3]	–	34,422,975	3,191,402	–	–	–
Sales [3]	–	580,162	9,513,570	–	25,484,562	2,797,128
Currency						
Canadian dollars	204	–	–	–	–	–
Australian dollars	757	–	–	–	–	–
U.S. dollars	–	–	–	26	–	–
Maturity	2025-2036	2025-2030	2025-2038	2025	2025-2029	2025-2029

(1) Notional amounts for the natural gas purchase contracts are the maximum volumes that can be purchased over the terms of the contracts.
(2) Notional amounts for the forward power sale and purchase contracts are the commodity volumes committed in the contracts.
(3) Volumes for natural gas and power derivatives are in GJ and MWh, respectively.

11. BUSINESS COMBINATION

ACQUISITION OF NRB LIMITED

In March 2025, ATCO Structures & Logistics Ltd., a subsidiary of the Company, finalized the working capital adjustment related to the 2024 acquisition of NRB Limited. The adjustment resulted in a $3 million increase to the purchase price, bringing the total cash consideration to $43 million.