ATCO LTD.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2025

February 25, 2026

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

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

The Company is controlled by Sentgraf Enterprises Ltd. (Sentgraf) and its controlling share owner, the Southern family. The Company includes controlling positions in Canadian Utilities Limited (Canadian Utilities or CU) (52.4 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), and ATCO Energy Ltd. (ATCO Energy) (100 per cent ownership). The Company also has an equity investment in Neltume Ports S.A. (Neltume Ports) (40 per cent ownership).

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

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CORPORATE STRUCTURE

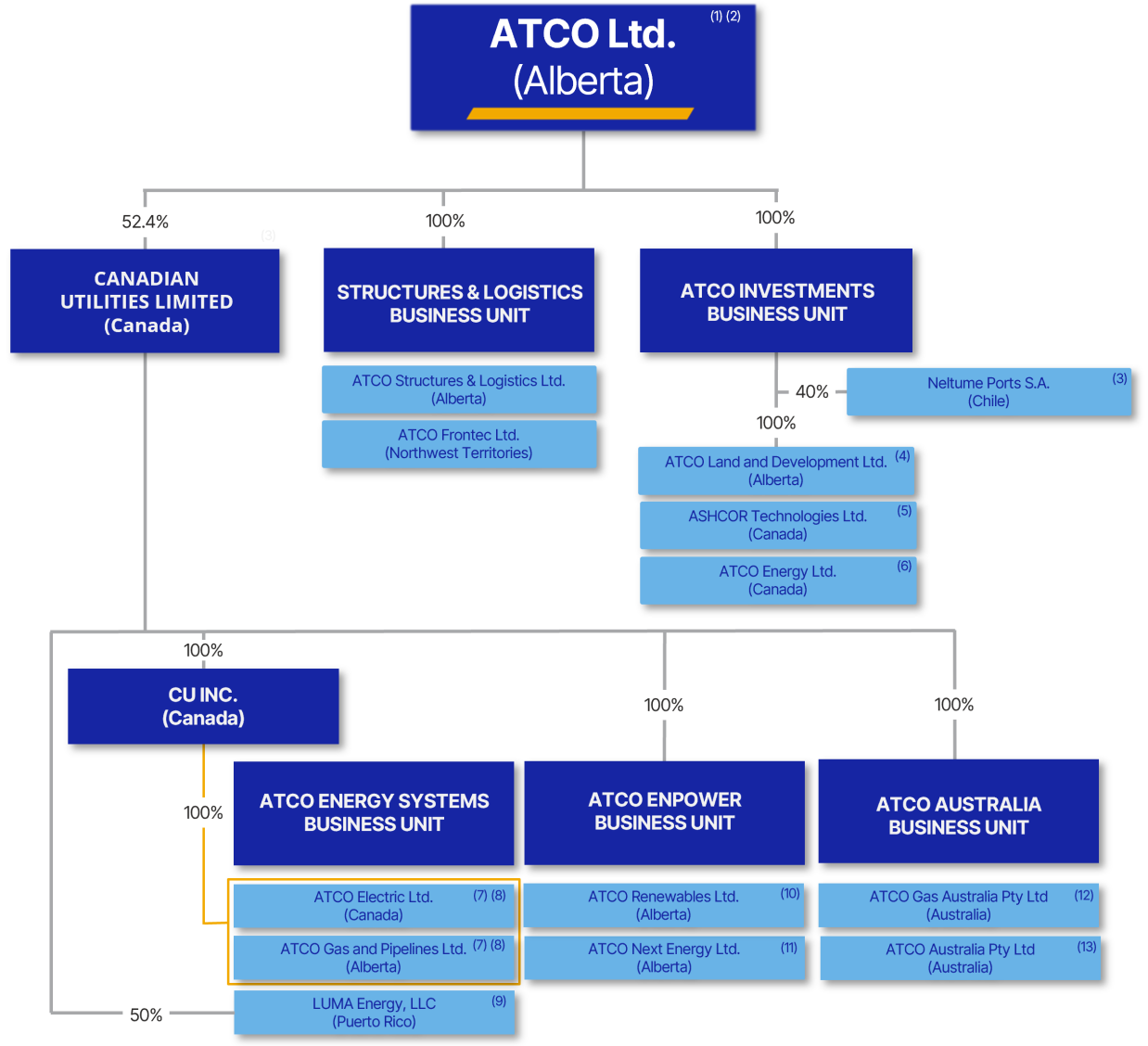
ATCO Ltd. is the successor to the business founded in 1947 by the late S.D. Southern and the late R.D. Southern. It was incorporated under *The Companies Act* (Alberta) by Certificate of Incorporation on August 31, 1962. The Company was continued under the *Business Corporations Act* (Alberta) on March 13, 1984. The address of the head office and registered office of the Company is 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4.

A significant change to the Company's corporate structure occurred in June 1980 when ATCO acquired a 58.1 per cent controlling interest in Canadian Utilities Limited (Canadian Utilities) from IU International Corporation of Philadelphia.

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

SIMPLIFIED ORGANIZATIONAL STRUCTURE

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



(1) *At December 31, 2025, ATCO owned 99.6 per cent of the Canadian Utilities Class B common shares, which are the only voting securities outstanding, and 37.2 per cent of the Class A non-voting shares, for an aggregate ownership of 52.4 per cent.*

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

(3) *ATCO's 40 per cent equity interest in Neltume Ports, a leading port operator and developer based in South America.*

(4) *ATCO Land and Development is a commercial real estate business that holds investments for sale, lease or development.*

(5) *Ashcor is engaged in the recycling and marketing of ash, a waste byproduct of electricity generation.*

(6) *ATCO Energy offers retail electricity and natural gas services, home products, home maintenance services, and professional home advice in Alberta, and incorporates our legacy retail food services brand Blue Flame Kitchen (BFK).*

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

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

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

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

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

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

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

SHAPING THE FUTURE: ATCO'S AMBITIONS

CREATING PROSPERITY AND OPPORTUNITY FOR GENERATIONS TO COME

ATCO is committed to a bold and extraordinary future for our companies, our customers, our employees and our share owners. ATCO is charting a course for the future with an ambitious set of objectives that build upon our long corporate history of bringing prosperity and opportunity to the communities we serve.

UNIQUELY POSITIONED FOR THE FUTURE

Our Purpose

Creating prosperity and opportunity for generations to come

Our Objectives

- **Growth**
- **Financial leadership**
- **Support, Partner & Engage Customers & Communities**

We tackle the world's most urgent challenges

Our Expertise

Housing	Defence	Energy	Investments
Leading the evolution of building solutions, elevating the modular advantage and delivering with excellence for customers.	Trusted provider of mission-critical services that safeguard communities, national security operations and remote infrastructure.	A modern, customer-focused diversified energy company with a relentless drive for growth, simplicity and safety.	Strategic investments and international interests across essential industries that deliver long-term share owner value.
Industrial | Commercial | Residential	Facility Operations | Emergency Management	Utilities | Generation | Storage	Ports | Development | Retail Energy

Our Experience

- 13 Manufacturing Locations
- 28,500 Fleet Units Globally
- 9 Commercial & 2 Residential Properties
- Top 100 Canadian Defence Company
- Global Operations including key markets of Canada, Australia, the US, Mexico, & South America
- 73 Indigenous Partnerships, MOUs, and agreements
- 4M+ Customers
- 777-MW Power Generation (owned and operated)
- 117 PJ Gas Storage
- 17 Port Facilities + 6 Port Services Businesses
- 362,000+ Retail Energy Sites
- 200ktpa+ fly and bottom ash beneficiation capacity

ATCO is uniquely positioned to capture opportunities across energy, housing and defence services. Additionally, we are positioning ourselves for the future with investments in energy, housing and shelter, defence services, ports, retail services and other early-stage investments.

Our longstanding commitment of supporting, partnering and engaging with our customers and communities has provided a long history of steady, reliant portfolio growth facilitated by financial leadership.

Today, our founding business, ATCO Structures, leads the housing and space provision industry with 13 manufacturing facilities located within five countries around the world. We are delivering innovative products that offer shelter solutions

across the housing continuum, providing workforce housing to some of the world's largest infrastructure projects, and supporting construction across numerous industries through a fleet of more than 28,500 rental units. ATCO Structures has successfully diversified and strengthened its business in recent years by widening its geographic reach, expanding its manufacturing capacity and sales branch network, diversifying its product and service offerings and the customers and industries it serves, and further strengthening its dedicated skilled workforce, its processes and supporting systems.

Through our majority controlling investment in Canadian Utilities, we invest in regulated and non-regulated energy infrastructure. Our energy businesses serve more than 4 million customers and generate 777-MW of power through a diversified portfolio of wind, solar, hydro and natural gas facilities, and we have storage facilities capable of storing more than 117 PJ of natural gas and 544,000 m3 of natural gas liquids.

ATCO Frontec is at the forefront of defence services. We are a trusted provider of mission-critical services that safeguard communities, national security operations, and remote infrastructure. ATCO has operations in Canada, Australia, the US, Mexico, and South America, and maintains 73 Indigenous partnerships, Memorandums of Understanding (MOU) and agreements, many in ATCO Frontec, which facilitates their work in remote locations while providing economic participation to the surrounding communities.

Our 40 per cent ownership in Neltume, a port and ports services business owns and operates 17 ports throughout the Americas. This investment in an essential industry positions us for future growth as the movement of goods globally continues to be vital to the economic prosperity of nations. Additionally, our retail business, built from the ground up, now serves more than 360,000 customer sites.

These investments in essential services position us to capitalize on Canada's need for 3.5 million new homes by 2030 to restore affordability through programs like Build Canada, and participate in new opportunities arising from the global trend in increased defence spending, including Canada's commitment to raise defence spending to 5 per cent of gross domestic product (GDP) by 2035. Lastly, we are positioned to participate in Canada becoming a global energy power with public sentiment shifting to support energy sovereignty and investment in domestic infrastructure.

ATCO VALUES

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

Innovation, growth and financial strength provide the foundation from which we built our Company. Our long-term success depends on our ability to continue offering our customers exceptional, comprehensive and integrated solutions to meet their evolving needs and expand into new markets. ATCO has an unwavering commitment to financial strength, operational excellence, our customers, our people and the communities we are privileged to serve around the world.

ATCO'S INVESTMENT STRATEGY

At the heart of ATCO's investment strategy is our globally diversified portfolio that provides integrated, sustainable solutions in the essential services space to tackle the world's most urgent challenges. We are primarily focused on housing, defence services and the energy space, along with other investments that will drive long-term growth. These essential services underpin our portfolio and our commitment to ongoing investments. They are tied to infrastructure, providing us a source of recurring cash flows and earnings that have proven to be resilient to changes in global macro-economic cycles, geopolitical conflict and extreme weather. Our unique market position, integrated capabilities, and exceptional customer care combine to create a competitive advantage that is difficult to replicate, and one that continues to deliver value to share owners through earnings and dividend growth.

As a globally diversified investment company, ATCO's portfolio provides customers with integrated and sustainable solutions. To maintain our exceptional dividend resiliency, our portfolio has been constructed to provide a balance between yield and long-term growth.

Growth

New growth is guided by our focus on essential services, macroeconomic trends, and key relationships.

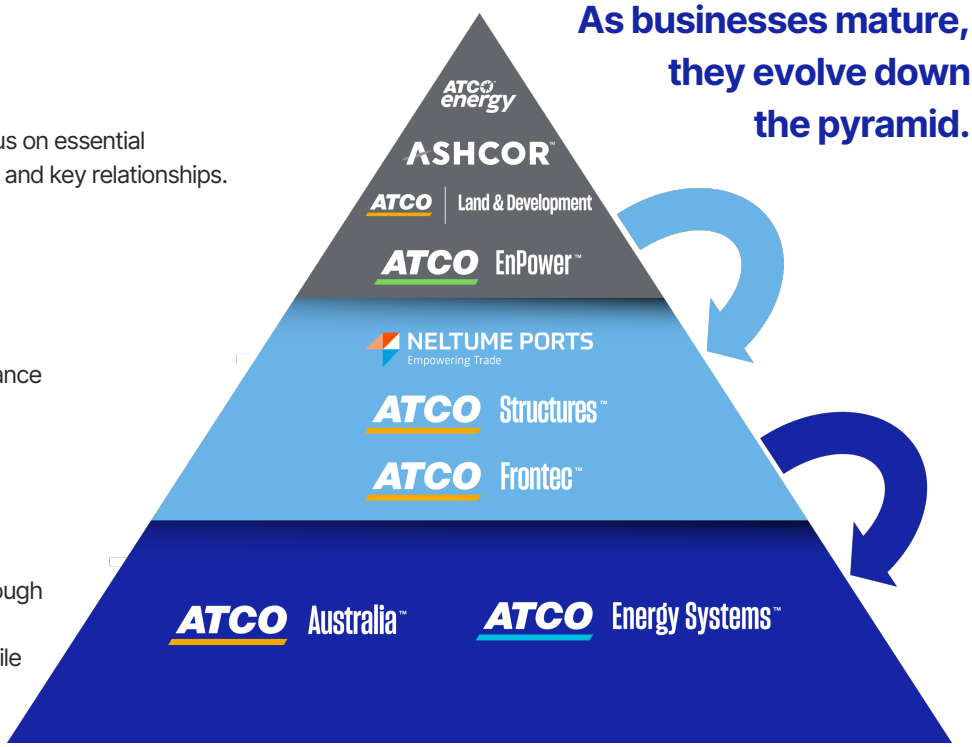
Value

These investments provide a balance between yield and growth.

Foundational

Drive efficiency and reliability through a modern operating model with a strong commitment to safety, while delivering dependable energy solutions.

As businesses mature, they evolve down the pyramid.



At the base of our portfolio we look for a stream of stable and reliable earnings and recurring cash flows for ATCO. This supports new investment and provides surety to our dividends in line with our core financial tenets. Our Canadian Utilities businesses have these characteristics.

Value investments provide a balance between yield and growth and while they likely have some cyclicality, they also generally have the ability to outpace overall economic growth and drive better returns.

We also look for contributions that are more growth focused. These investments may have less ability to contribute to the current dividend due to the need for growth capital but will create meaningful growth for our portfolio in the coming years. As these businesses mature and begin to contribute additional cash flows, they evolve down the pyramid, allowing us to potentially add more growth businesses.

We continue to have significant growth aspirations across these existing investments, and share owners can expect that the new investments we make will be tied to this proven strategy of investing in companies within the essential services space. We have been strategically transitioning to a greater proportion of more growth-oriented assets to return the balance and drive long-term growth.

FURTHER COMMENTARY REGARDING STRATEGIES AND COMMITMENTS

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

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

BUSINESS DESCRIPTION

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

Based in Alberta, ATCO is one of Canada's premier corporations. With assets of approximately $28 billion, ATCO is a proven, diversified, and global corporation. From reliable, sustainable energy for homes and businesses to innovative temporary and permanent structures and everything in between, we build communities, energize industries and deliver customer-focused infrastructure solutions. ATCO is privileged to be providing these innovative solutions in sectors that are essential to global growth and prosperity with the dedication and support of our approximately 8,200 ATCO employees and the additional 12,200 employees in our non-controlled interests around the world.

4M+

Total Customers

$28B

Total Assets

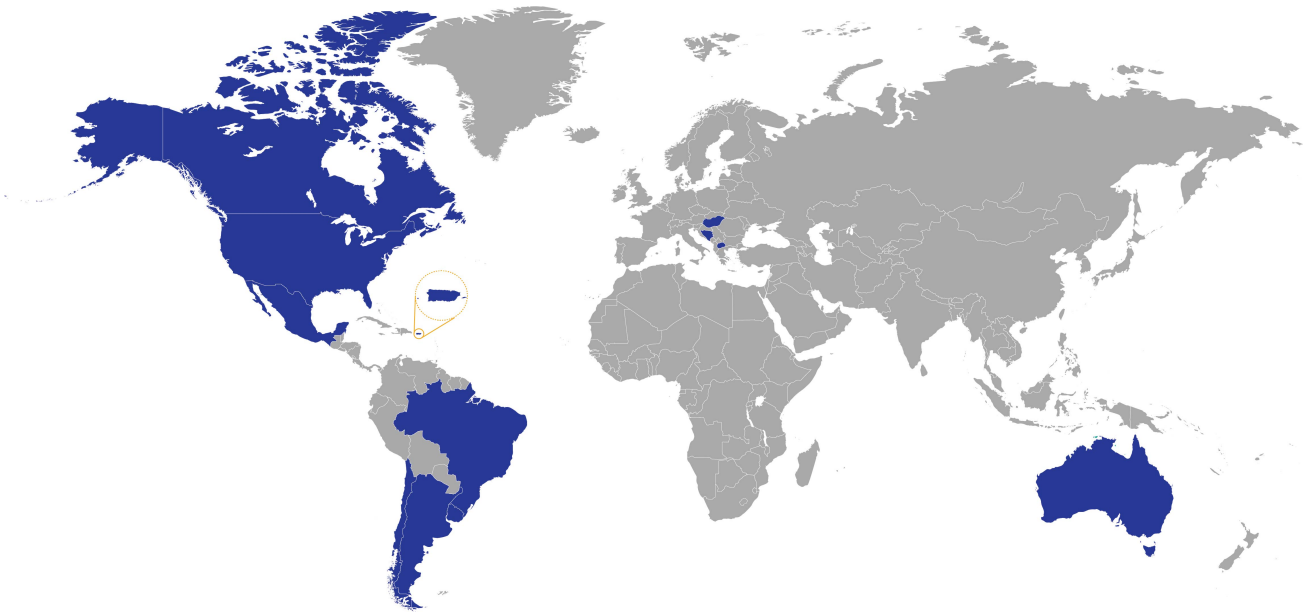
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Years of Annual Dividend Increases

100+ COUNTRIES

Long History of Global Operations

CURRENT OPERATIONS





ATCO Structures & Logistics

OVERVIEW

ATCO Structures & Logistics operates through two complementary businesses: ATCO Structures and ATCO Frontec. Diversified by geography, products and services, these businesses serve customers and communities worldwide. Together, they provide residential and workforce housing, innovative modular facilities, construction, site support services, workforce lodging services, facility operations and maintenance, defence operations services, and disaster and emergency management services.

COMPETITIVE ENVIRONMENT

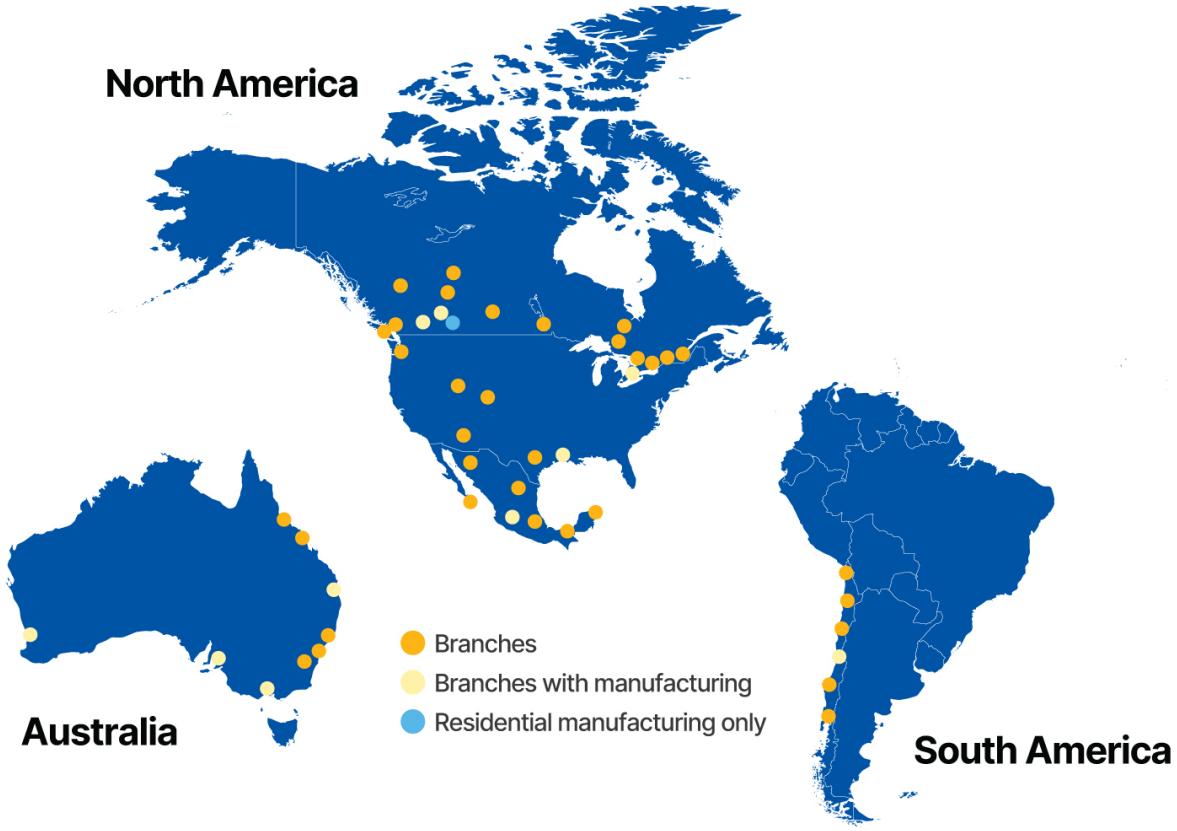
ATCO Structures & Logistics operates in a competitive market. Our peers in residential housing, permanent modular construction, space rentals, workforce housing, and camp services range from multinational corporations to local boutique firms, with competition fragmented across regional markets. The number of large infrastructure and government projects that our camp management services have traditionally targeted has dropped over the last five years and our services have become partially commoditized as a result. We believe our service quality, price, availability, speed of delivery, and our integrated services put us ahead of many of our peers. Our competitors consist of portable and traditional office space lessors, modular home manufacturers, self-storage providers, facility operations and maintenance, and workforce housing service providers. Our competitive advantage lies in delivering turnkey bundled services, from site preparation and workforce housing to scratch-cooked meals and facility operations and maintenance. Our growth strategy focuses on expanding in Canada, the US, Australia, Chile, Mexico, and Europe, while enhancing our technical service offerings to meet customer demand. Performance may be influenced by factors such as labour shortages, supply chain disruptions, foreign exchange fluctuations, and global commodity prices.

SEASONALITY

Utilization of ATCO Structures' rental fleets follows a cyclical pattern with the North American construction season driving increased activity in the summer months. This is balanced by global operations in Australia and Latin America, and by providing complementary products and services including workforce housing, residential housing, permanent modular construction, logistics, and site construction services. Seasonal variability is also managed by maintaining an optimized level and mix of fleet units.

ATCO Frontec facility operations and maintenance provides a variety of seasonally dependent maintenance activities year-round. Fluctuations in temperature and weather can impact the timing and volume of maintenance within a contract's scope, with the majority of maintenance activity taking place over the summer months. Workforce lodging and support sites may experience closures during the winter months dependent on the site location. Occupancy tends to decrease over the winter holiday season.

ATCO STRUCTURES



ATCO Structures, with over 75 years of industrial, commercial and residential modular expertise, is well positioned to capture growth in an expanded market. ATCO Structures aims to generate sustainable earnings growth by strengthening our market presence and performance in the regions we operate, identifying opportunities to expand into new markets, and delivering exceptional customer service. Our global operations are strategically positioned near regions with high-growth economic zones.

ATCO Structures' growth strategy in each geography is delivered through continued expansion of our space rentals business line, which provides the infrastructure and skilled personnel to deliver complementary products and services, including workforce housing, residential housing, permanent modular construction, logistics, and site construction services. Our manufacturing capability is a key differentiator in servicing the markets we operate in, affording us the flexibility to build our fleet, offer customized product sales, and provide products and services beyond our core offerings. Working with governments and communities, ATCO Structures is an innovator in producing affordable, high-quality modular products that support growing needs for diverse shelter options worldwide, including attainable residential housing. We continue to grow our business across the globe organically while supplementing with targeted inorganic opportunities to meet the needs of our growing customer base.

ATCO Structures operates three business lines: **Space Rentals**, **Workforce Housing**, and **Permanent Modular Construction**. Space Rentals provides prefabricated, transportable spaces such as modular complexes, mobile offices, kiosks, storage, and sanitary solutions that support construction, manufacturing, industrial operations, education, and healthcare. Workforce Housing provides modular accommodation solutions designed for industrial and remote worksites supporting natural resources, large-scale infrastructure development, and defence. Permanent Modular Construction serves both commercial and residential markets, providing modular buildings for education, healthcare, hospitality, sports and recreation, and residential solutions across the housing continuum, including single- and multi-family homes. ATCO Structures operates through two commercial streams: Sales, which encompasses sales of product and service offerings to customers across all three business lines; and Leasing, which includes leasing both Space Rentals and Workforce Housing products to customers.

SPACE RENTALS

Onsite structures are used mainly by construction and resource companies at urban and rural construction sites. Commercial and community structures, although relocatable, are often used as more permanent facilities by a wide range of private and public sector customers.

Space rental products are generally offered to customers under lease packages that may include options to purchase. Lease terms vary depending on customer requirements. Customers with longer term requirements typically purchase rather than lease units. Sales from the space rentals fleet assist in the process to recycle capital to maintain a modern inventory of these units.

The following table compares ATCO Structures' space rentals fleet for 2025 and 2024. ATCO Structures has increased its global space rentals fleet through increased capital investment in Canada, the US and Australia to capture market share and execute its expansion strategy for 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 space rentals leasing assets in these regions. The elevated demand is underpinned by strong general construction activity, public infrastructure development in Canada and technology infrastructure projects in the United States. Consistent utilization rates have been maintained while growing the number of units in the rental fleet through targeted investment to strengthen market position in regions with ongoing activity.

	Year Ended December 31		
	2025	2024	Change
Global Space Rentals			
Number of units	**26,519**	25,018	6%
Average utilization *(%)*	**75**	74	1%
Average rental rate *($ per month)*	**826**	786	5%

WORKFORCE HOUSING

Workforce housing products include prefabricated standard or custom units designed to be assembled into self-contained accommodation facilities. The units are typically comprised of sleeping quarters, kitchen, dining and recreation facilities. They are constructed to withstand a range of weather conditions and designed to meet appropriate regional building codes and current industry standards. ATCO Structures also purchases used workforce housing units from customers which are then retrofitted as needed and made available for resale or lease in the workforce housing market.

Demand for workforce housing products is directly related to both the capital spending cycle and development activity in various industries, and is primarily in remote locations where workforce accommodation is not readily available. The following table compares ATCO Structures' workforce housing fleet for 2025 and 2024. ATCO Structures reduced its global workforce housing fleet through the strategic disposition of under-utilized assets in certain regions. ATCO Structures is focused on maintaining the optimized level and mix of workforce housing fleet in Canada, USA and Australia, which includes targeted investments to tailor fleet mix and expand fleet offerings in strategic locations to meet the current and anticipated market demand. Average rental rates decreased due to the conclusion of large, long-term rental contracts in Canada, the US and Australia.

	Year Ended December 31		
	2025	2024	Change
Global Workforce Housing			
Number of units	**1,983**	2,621	(24%)
Average utilization *(%)*	**58**	60	(2%)
Average rental rate *($ per month)*	**1,375**	1,446	(5%)

PERMANENT MODULAR CONSTRUCTION

Permanent modular construction within the commercial and residential market sectors offers new development opportunities for ATCO Structures. There is continued demand to use modular construction as an alternative means to traditional construction due to its inherent ability to be built primarily offsite in a controlled environment. The permanent modular

construction business combines traditional modular construction processes with either pre-engineered steel buildings or soft-wall structures that reduce cost, site work and waste associated with building in remote locations.

Commercial

ATCO Structures designs and delivers permanent modular buildings for the commercial market. These prefabricated, sustainable buildings are utilized in a variety of projects, including classrooms, community centres, gas stations, health facilities, hotels, offices, and correctional facilities. These buildings provide permanent solutions for customers in remote locations and those seeking an efficient and effective alternative to traditional construction methods.

Residential

ATCO Structures uses modular construction to deliver single-family homes, multi-unit developments, and affordable housing faster, with higher quality, and less disruption than traditional construction. The permanent modular construction offered by ATCO Structures is a way to relieve pressure on the housing market with modular construction being up to 3 times faster than traditional site-built construction.

ATCO Structures has a 100 per cent ownership interest in Triple M Housing Ltd. (Triple M Housing), a leading North American manufacturer of pre-fabricated, modular residential homes headquartered in Lethbridge, Alberta, and primarily servicing Western Canada and segments of the US. Triple M Housing operates as a standalone business and supports ATCO Structures' continued growth in the residential housing market sector.

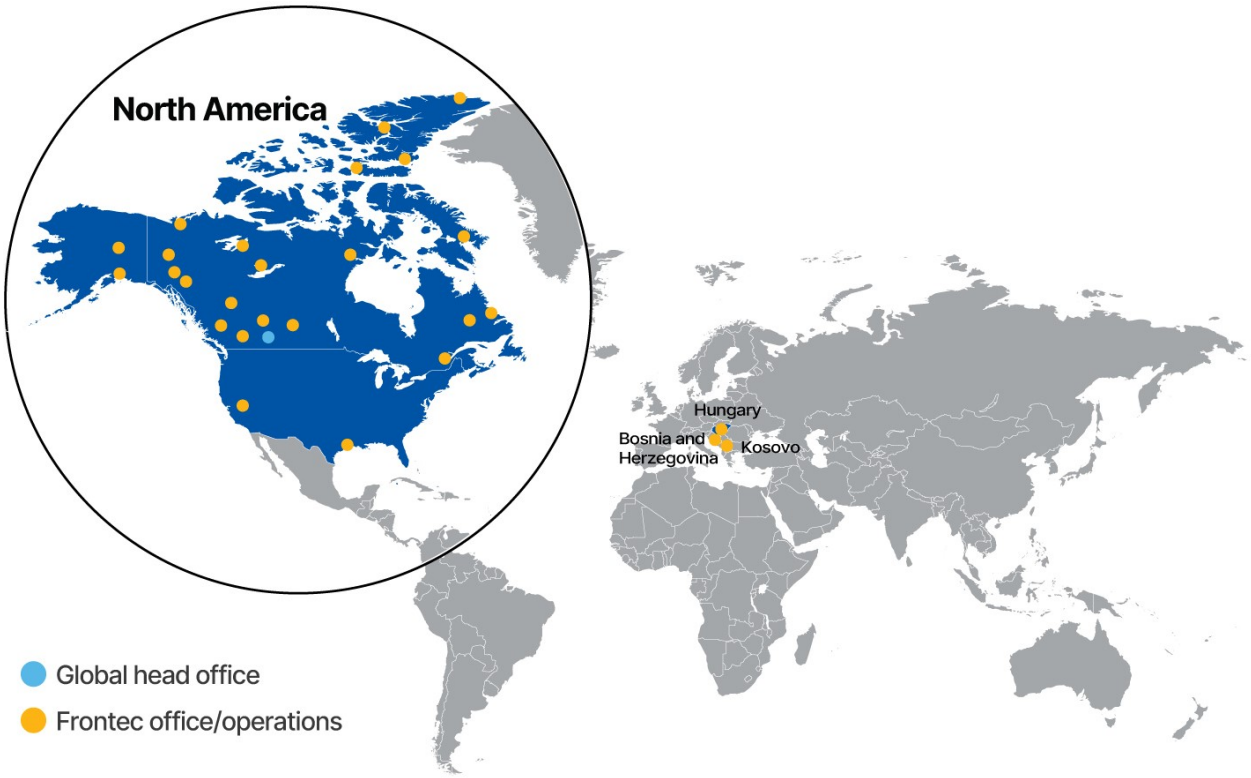
MANUFACTURING

ATCO Structures manufactures products at 13 facilities in Canada, the US, Australia, Mexico and Chile.

Location	sq. ft.	# of locations
Canada		5
Calgary, Alberta	275,000	
Lethbridge, Alberta	229,000	
Rocky View County, Alberta	81,000	
Kamloops, British Columbia	95,000	
Grimsby, Ontario	95,000	
United States		1
Diboll, Texas	90,000	
Australia		5
Perth, Western Australia	199,000	
Adelaide, South Australia	28,000	
Brisbane, Queensland	130,000	
Rocklea, Queensland	20,000	
Melbourne, Victoria [(1)]	50,000	
Mexico		1
Guadalajara	35,000	
Chile		1
Santiago	118,000	

(1) Third-party facility with production solely contracted to ATCO Structures.

ATCO FRONTEC



ATCO Frontec is a leader in defence and security operations, disaster response and serving remote workforces, and has a longstanding history of supporting Canada's Department of National Defence, the Canadian Armed Forces, and North Atlantic Treaty Organization (NATO). The business provides workforce lodging and support services, facility operations and maintenance services, and continues to grow its business as an international provider of integrated operational support services to government, defence and commercial clients.

With our expertise in comprehensive logistics, operational and in-service support solutions in remote and challenging locations, workforce housing camp services, facility operations and maintenance services, defence operations services, and disaster and emergency management, we are able to apply our competitive advantages of being a bundled services provider with proven long-term, collaborative partnerships. We enable our customers to focus on their core business.

As a hallmark of our approach to business, ATCO Frontec strives to create equitable partnerships for Indigenous communities and has secured numerous contracts with our Indigenous joint-venture partnerships that are identified in the contract tables in this section.

FACILITY OPERATIONS AND MAINTENANCE

ATCO Frontec provides facility operations and maintenance that serve the resources sector, business and industry, and government and defence, including contracts with the Department of National Defence and North Atlantic Treaty Organization (NATO) in both Canada and through our international operations in Europe. The services we provide are in some of the most remote locations in the world, including the Canadian North where we operate and maintain facilities, bulk fuel and pipeline systems, water treatment, and construction services across the Arctic.

Major Facility Operations And Maintenance Contracts

The below table summarizes major contracts which were active or awarded during 2025.

Contract	Customer	Country	Start Date	Completion Date
Iqaluit Fuel [1]	Government of Nunavut	Canada	Q4 2007	Q4 2031
National Research Council	National Research Council Canada	Canada	Q1 2018	Q1 2026
Real Property North	Defence Construction Canada	Canada	Q1 2018	Q1 2028
Department of National Defence	Defence Construction Canada	Canada	Q2 2022	Q1 2027
North Warning System [2]	Public Services and Procurement Canada	Canada	Q3 2022	Q3 2029
Canadian Forces Station Alert [2]	Public Services and Procurement Canada	Canada	Q2 2023	Q2 2031
Polar-Over-the-Horizon North [3]	Department of National Defence	Canada	Q2 2025	Q1 2027
NATO HQ CIS Support	NATO Support and Procurement Agency	Bosnia & Herzegovina	Q3 2003	Q1 2025
NATO Fire Protection	NATO Support and Procurement Agency	Kosovo	Q1 2015	Q4 2030
PAPA Air Base Facilities Management	NATO Airlift Management Programme	Hungary	Q2 2016	Q2 2026
BMW Group HU	BMW Manufacturing Hungary Kft	Hungary	Q3 2024	Q4 2028
Alaska Radar System	US Department of the Air Force	US	Q4 2016	Q4 2026

(1) Contract awarded to UQSUQ, a joint venture between ATCO Frontec and Nunavut Petroleum Corporation.

(2) Contract awarded to Nasittuq, an Inuit majority-owned corporation and a partnership between ATCO Frontec and Nunasi Corporation and Pan Arctic Inuit Logistics Corporation.

(3) Contract awarded to Inuvialuit Frontec Services, a joint venture between ATCO Frontec and Inuvialuit Development Corporation.

WORKFORCE LODGING & SUPPORT

ATCO Frontec also specializes in turn-key worker accommodations, offering both modular camp infrastructure and operational services. We provide complete camp solutions that include management and administration, camp catering and food services, housekeeping, janitorial and maintenance services, that cater to the practical side of a customer's operations and the social well-being of their workforce.

Major Workforce Lodging & Support Contracts

The below table summarizes major contracts which were active or awarded during 2025.

Contract	Customer	Country	Start Date	Completion Date
Elkford Lodge	Teck Coal Limited	Canada	Q2 2019	Q4 2026
China Lake Military Rebuild Phase I	Environmental Chemical Corp.	US	Q1 2021	Q4 2025
Site C Two Rivers Lodge	BC Hydro	Canada	Q1 2016	Q1 2026
Artemis Blackwater Gold	BW Gold Ltd.	Canada	Q2 2025	Q2 2028
Pogo Mine	Pogo Gold Operations	US	Q4 2022	Q4 2025
FEMA Hurricane Relief	WSP USA Solutions Inc.	US	Q4 2024	Q1 2025
BHP Jansen Camp Services [1]	BHP Jansen	Canada	Q2 2023	Q3 2026
Victoria Gold	Victoria Gold Corp.	Canada	Q1 2024	Q4 2027

(1) Contract awarded to Wicehtowak Frontec Services, a joint venture partnership between ATCO Frontec and George Gordon Developments Ltd. (an Indigenous owned company).

DISASTER & EMERGENCY MANAGEMENT

ATCO Frontec's disaster and emergency management services include providing disaster planning and response solutions, resilience consulting and training, rapid mobilization of essential support services to first responders, incident facilities and structures. We support communities and organizations through the recovery stage to help plan and rebuild in response to catastrophic events.



OVERVIEW

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

Neltume Ports' growth will be achieved by improving operational efficiency, increasing volumes and ownership at existing ports, and investing in brownfield, greenfield and acquisition opportunities throughout the Americas. Neltume Ports is focused on continuous improvement initiatives to refine operational practices throughout all facets of its business. Most of Neltume Ports' existing ports are underpinned by long-term contracts or concessions and are strategically located near major resource or agriculture hubs, as well as high density areas of economic importance. The business environment is also supported by key partnerships with shipping lines and cargo owners.

Each line of business included in Other Investments is focusing on creating meaningful growth within its industries. ATCO Land and Development is looking towards product portfolio expansion, particularly through its growth in residential development volumes through Viva Homes. Ashcor continues to pursue organic expansion driven by customer demand and unlocking new markets through securing live ash contracts in the US. ATCO Energy's growth pursuits include expanding their market presence across Alberta with a focus on customer sign-ups while continuing to prioritize customer satisfaction and retention.

COMPETITIVE ENVIRONMENT

Through Neltume Ports' exposure to global trade and transportation, the business is able to capitalize on increasing demand for resources, particularly copper, agriculture and forestry products. Neltume Ports continuously reviews opportunities to increase its ownership position in ports that are jointly owned and continues to actively explore brownfield and greenfield opportunities, as well as acquisition expansion potential.

The ports industry by nature is sensitive to changes in international trade, supply chain constraints, labour shortages, commodity prices and foreign exchange, all of which could impact Neltume Ports. In recent years, Neltume Ports has seen challenges caused by social unrest, political instability, and economic issues, in the regions in which it operates.

Within our Other Investments businesses, ATCO Land and Development operates in competitive real estate markets. Leases within our core lease assets are held by affiliate companies and third-party lessees. Our development assets are held within attractive urban markets and key development corridors. Additionally, ATCO Energy operates in Alberta's highly competitive deregulated market. To set itself apart from other retailers, ATCO Energy strives to provide differentiated and competitively priced energy plans in concert with exceptional customer service from its in-house Alberta-based call centre, and by offering digitally enabled self-serve options such as online payment, web chat, and account management. The organization also offers over 40 home services, many of which complement overall home energy efficiency, offering Albertans unique value as a place to maintain the entire home.

SEASONALITY

Neltume Ports operates several ports within its portfolio that transfer minerals, consumer goods, and agricultural products where cargo volumes can fluctuate throughout the year due to seasonality. In addition to the cyclical nature of these cargoes, the ports also operate along the coasts of North America and South America and its operations may be susceptible to unpredictable weather patterns which may impact operations, vessel berthing, and cargo handling. While these fluctuations may be material month to month for a particular port, these impacts typically normalize across our portfolio of ports.

ATCO Energy's business has cyclical fluctuations based on seasonal patterns, unusual weather variations, and extreme weather events. Our business often sees an increase of revenues during the winter heating season, when demand for energy increases. Short-term weather patterns outside of seasonal norms can also influence the demand for electricity and natural gas. To diminish potential earnings volatility caused by commodity price fluctuations and supply/demand imbalance, ATCO Energy enters into contracts to secure natural gas and electricity.

NELTUME PORTS

Neltume Ports is a port operator and developer with a diversified portfolio of multipurpose, bulk cargo and container terminals located primarily in Chile with additional operations in Uruguay, Argentina, Brazil, Guatemala, and the US. Neltume Ports employs approximately 7,500 people and operates 17 port facilities and 6 port operation services businesses. In 2025, Neltume Ports handled 47 million tonnes of product, including copper, forestry products, consumer goods and agricultural products.

LOCATIONS

Locations of ports and port operation services businesses are shown in the map below.



PORTS

Port Name	Neltume Ports Ownership (%)	Country	Terminal Type	Key Cargo	Concession End	Concession Extension Option
Terminal Puerto Arica	50	Chile	Multi	Mixed	2034	N/A
Puerto Angamos	50	Chile	Multi	Copper	2033	2043
Terminal Graneles del Norte	50	Chile	Dry Bulk	Copper/Coal	2044	N/A
Puerto Mejillones	50	Chile	Dry Bulk	Copper/Zinc	Private	N/A
Terminal Mejillones	50	Chile	Liquid Bulk	Sulfuric Acid	Private	N/A
Terminal Puerto Coquimbo	70	Chile	Multi	Copper	2032	2042
Terminal Pacifico Sur	60	Chile	Container	Container	2029	N/A
Puerto Coronel	25	Chile	Multi	Mixed	Private	N/A
Terminal Puerto Rosario	50	Argentina	Multi	Mixed	2032	N/A
Montecon	100	Uruguay	Container	Container	Public	N/A
Terminales Graneleras Uruguayas	54	Uruguay	Dry Bulk	Agriculture	2042	N/A
Terminal Ontur	28	Uruguay	Multi	Pulp/Agriculture	Private	N/A
Sagres - Four Ports (TLRG, TLP, TPP, TLG)	95	Brazil	Multi	Pulp/Wood	Private	N/A
Vancouver Bulk Terminal	50	United States	Dry Bulk	Copper/Clay	2053	2073

OTHER INVESTMENTS

Other Investments includes ATCO Land and Development, Ashcor, and ATCO Energy. ATCO Land and Development is a commercial real estate business that holds investments for sale, lease or development; Viva Homes by ATCO (Viva Homes) is a branch of the business offering sustainable living solutions in a fraction of the time. 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 to homes and businesses, along with several home maintenance services in Alberta. The ATCO Energy team also manages its food services division, Blue Flame Kitchen.

ATCO LAND AND DEVELOPMENT

ATCO Land and Development generates revenue from commercial and residential real estate activities. Earnings from this business come from two primary sources: sales of commercial and industrial properties including land, and the leasing of real estate to third parties to generate steady revenue. The current portfolio includes 9 commercial real estate properties and 2 residential development properties. This real estate portfolio encompasses 390,000 square feet of office property and 320 acres of land, including 40 acres reserved for future developments.

Viva Homes by ATCO

In March 2025, the Company introduced ATCO Land and Development's new venture, Viva Homes. This venture is working in the residential housing space with a strategy of bringing high-quality, cost-competitive housing to the market through the utilization of ATCO Structure's advanced modular construction processes and ATCO's development expertise. This strategy will support the national need for housing at an expedited pace relative to conventional on-site construction.

ASHCOR

Ashcor is an Alberta-based company with a 28-year history, engaged in the recycling and marketing of ash, a waste byproduct of electricity generation. Ashcor's Reclaimed Ash Management (RAM™) technology expands its ability to recycle ash previously stored in the ground. The unique properties of Ashcor's recycled ash product offer many performance and financial benefits across a wide variety of applications including ready mix concrete and oil well cementing. It lowers the carbon dioxide intensity of concrete and also creates a useful product from what would otherwise be industrial waste.

ATCO ENERGY

ATCO Energy is the fourth largest competitive energy retailer in the province of Alberta that offers electricity and natural gas plans to residential and business customers. At the end of 2025, ATCO Energy serviced a total of 362,000 sites in the residential competitive market which is comprised of 201,000 electricity sites and 161,000 gas sites. ATCO Energy's home solutions division includes over 40 services across Alberta. Blue Flame Kitchen, its food services division, had its start in 1929 by providing natural gas appliance demonstrations and has since evolved into a comprehensive resource that offers culinary experiences through events, catering, and educational classes.



OVERVIEW

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

ATCO ENERGY SYSTEMS

OVERVIEW

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

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

COMPETITIVE ENVIRONMENT

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

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

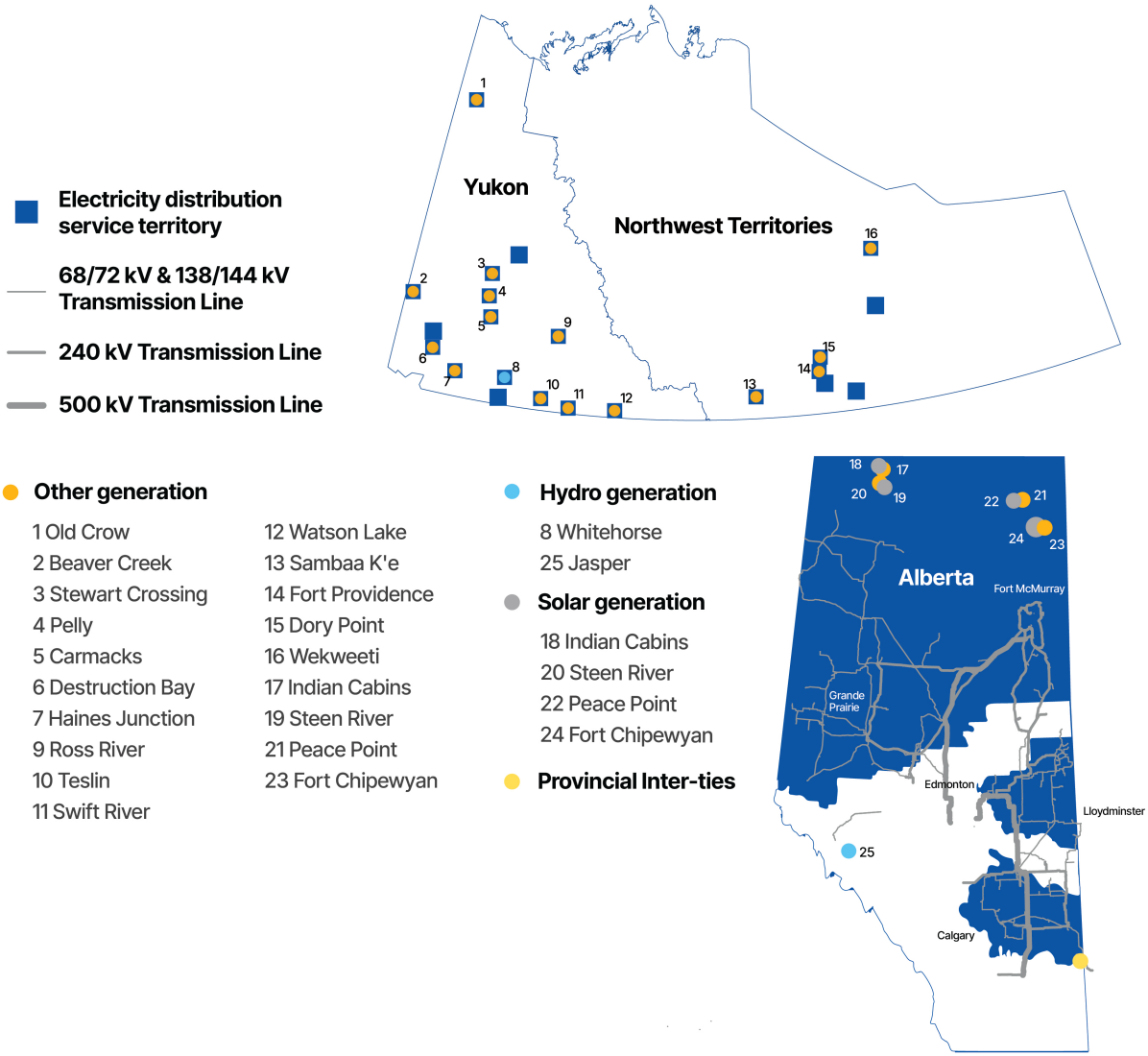
SEASONALITY

ATCO Energy Systems' businesses tend to be cyclical due to the nature of electrical generation and natural gas usage, including the fluctuations of customer demands based on both seasonal patterns and annual weather variation, particularly

during the winter heating season. Due to these fluctuations, the annualized individual quarterly revenues and earnings are not indicative of our annual results. For example, Natural Gas Distribution's customer rates are based on a forecast of normal temperatures, and these seasonal patterns may result in more or less revenue being recovered from customers than forecasted. Revenues above or below normal temperatures in the current period are refunded to or recovered from customers in future periods.

ELECTRICITY DISTRIBUTION AND TRANSMISSION

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



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

The Yukon Electrical Company Limited (operating as ATCO Electric Yukon (AEY)) serves 19 communities in the Yukon, including the capital city of Whitehorse, and one community in British Columbia. Naka Power Utilities (NWT) Ltd. (Naka) is a joint venture between a subsidiary of the Company and Denendeh Investments Incorporated, which represents the 27 Dene

First Nations of the Northwest Territories. Dennendeh Investments Incorporated owns a 51 per cent equity interest. Naka serves eight communities in the Northwest Territories, including the capital city of Yellowknife.

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

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

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

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

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

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

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

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

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

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

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

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

Alberta PowerLine

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

Non-Regulated Electricity Transmission

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

Electricity Generation

Hydroelectric, Solar Generation and Diesel

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

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

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

Electric Vehicle Input Charging Stations

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

INTERNATIONAL ELECTRICITY OPERATIONS

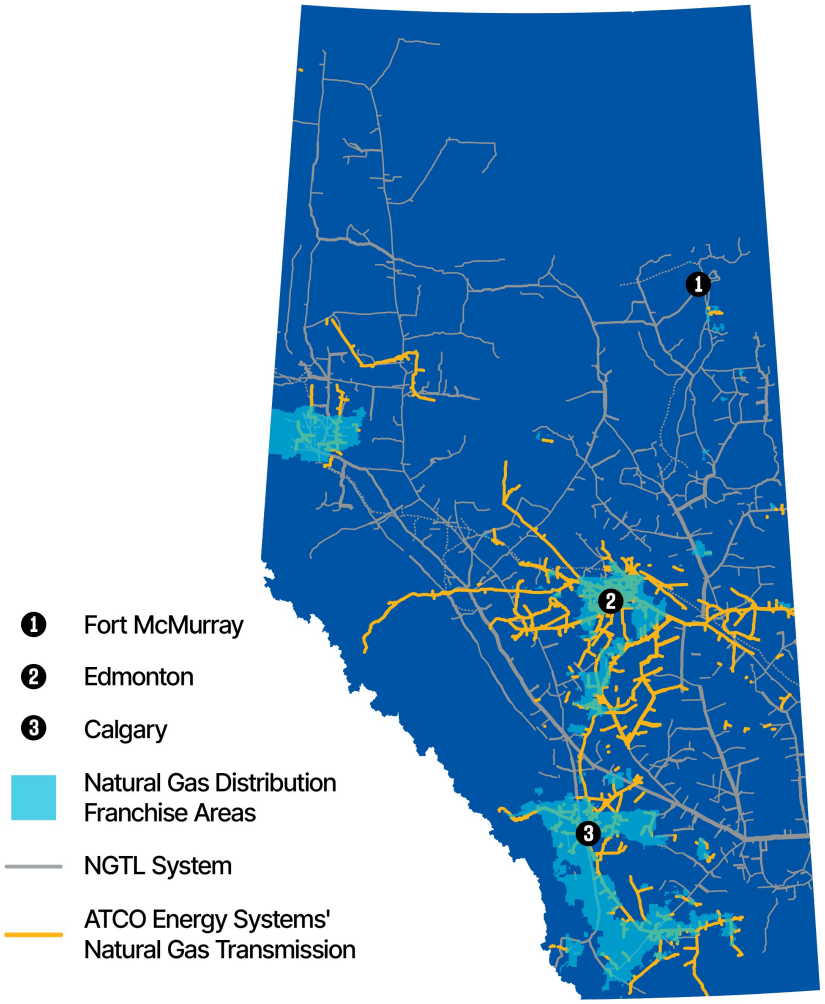
LUMA Energy

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

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

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

NATURAL GAS DISTRIBUTION AND TRANSMISSION



Natural Gas Distribution

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

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

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

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

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

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

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

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

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

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

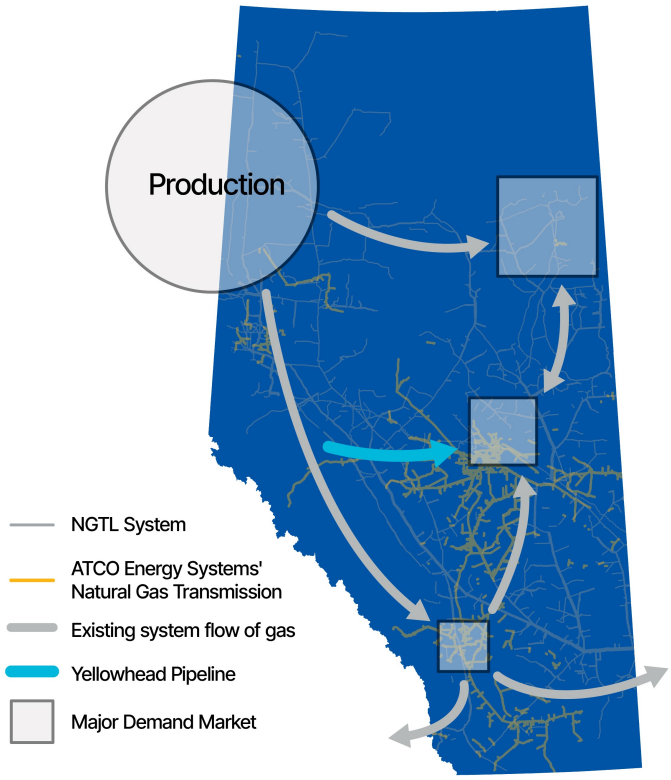
Natural Gas Transmission

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

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

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

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



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

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

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

Non-regulated Natural Gas Transmission

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

REGULATORY FRAMEWORKS

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

ATCO ENPOWER

OVERVIEW

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

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



Storage



Generation



Cleaner Fuels

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

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

COMPETITIVE ENVIRONMENT

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

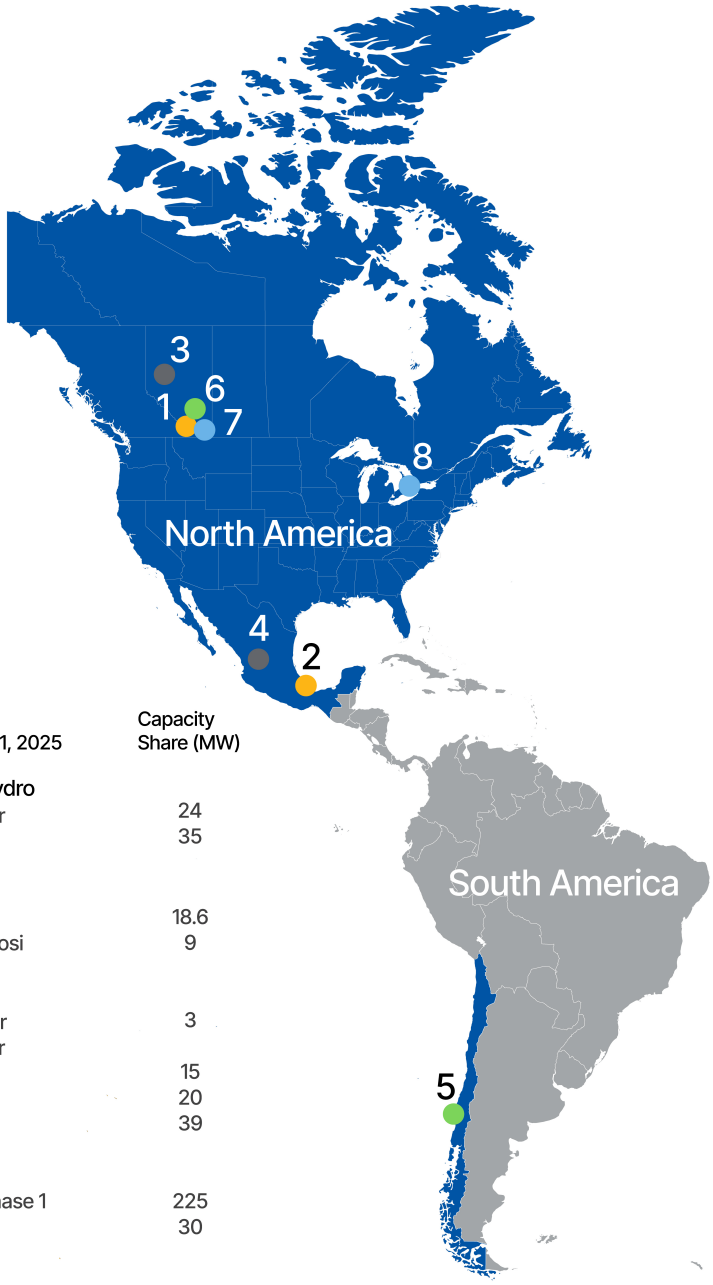
ATCO EnPower's natural gas storage operations remain influenced by seasonal and market-driven price differentials, while its renewable generation assets have exposure to merchant power prices. ATCO EnPower seeks to manage these dynamics through operational performance, disciplined capital allocation,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

SEASONALITY

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

ELECTRICITY GENERATION

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



Operating Assets as of December 31, 2025	Capacity Share (MW)
Run-of-River Hydro	
1 Oldman River	24
2 Veracruz	35
Natural Gas	
3 Elmworth	18.6
4 San Luis Potosi	9
Solar	
5 El Resplandor	3
6 Calgary Solar	
Barlow	15
Deerfoot	20
Empress	39
Wind	
7 Forty Mile Phase 1	225
8 Adelaide	30

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

(1) Nameplate capacity.

Wind

Forty Mile Wind Phase I

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

Adelaide Wind

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

Solar

Deerfoot and Barlow Solar

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

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

Empress Solar

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

Chile's El Resplandor Solar Generation Facility

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

Hydroelectric

Oldman River Hydro Plant

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

Electricidad del Golfo Hydro

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

Gas Generation

Peaking Gas-Fired Generation

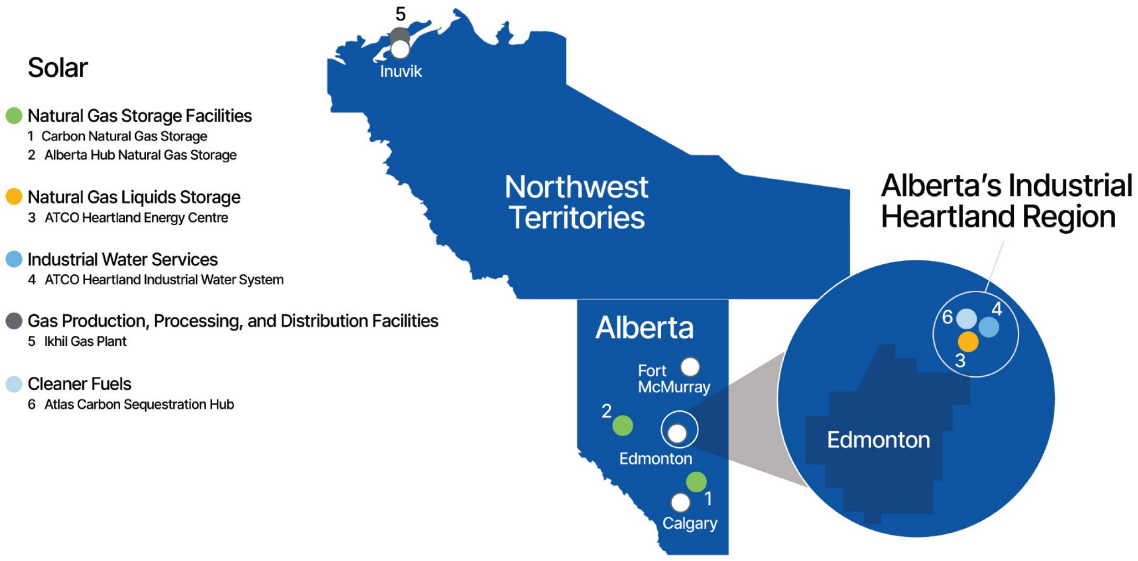
Northstone Power Corp. (Northstone) is the owner and operator of the Elmworth Generation station, an 18.6-MW peaking gas-fired generation facility located near Grande Prairie, Alberta. Northstone was acquired by ATCO Renewables in December 2025.

Distributed Generation

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

STORAGE & INDUSTRIAL WATER

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



Natural Gas Storage

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

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

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

Natural Gas Liquids Storage

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

Industrial Water

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

Gas Production, Processing and Distribution Facilities

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

CLEANER FUELS

ATCO Heartland Hydrogen Hub Project (AH3)

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

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

Atlas Carbon Sequestration Hub

The Atlas Carbon Storage Hub is a partnership project located at Alberta's Industrial Heartland near Fort Saskatchewan, Alberta. Its primary goal is to develop a CCS facility with an initial capacity to capture 800,000 tonnes of CO_2 per year.

On June 26, 2024, ATCO EnPower, in partnership with Shell Canada Limited, made a Final Investment Decision to proceed with the first phase of the project. The first phase is expected to be operational in late 2028 and will be anchored by CO_2 volumes from Shell's Polaris carbon capture project. The hub is designed as a multi-phase, open-access storage solution and will be able to store emissions from the Alberta Industrial Heartland region, with future expansions subject to additional investment decisions.

ATCO AUSTRALIA

OVERVIEW

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

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



COMPETITIVE ENVIRONMENT

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

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

SEASONALITY

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

ATCO GAS AUSTRALIA

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

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

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

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

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

ATCO POWER AUSTRALIA

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

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

(1) Name plate capacity.

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

Karratha Power Station

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

Osborne

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

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

HYDROGEN OPERATIONS

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

REGULATORY FRAMEWORK

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

THREE YEAR HISTORY

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

REVENUE SUMMARY

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

Revenues [1]	2025		2024		2023	
	($ millions)	%	($ millions)	%	($ millions)	%
Structures & Logistics	**1,282**	**25**	1,114	23	926	20
ATCO Investments [2]	**171**	**3**	86	2	19	—
Canadian Utilities Limited						
ATCO Energy Systems	**3,108**	**61**	3,071	62	2,968	63
ATCO EnPower	**328**	**6**	313	6	346	7
ATCO Australia	**243**	**5**	241	5	225	5
Canadian Utilities Financing & Other	**11**	**—**	117	2	257	5
Total	**5,143**	**100**	4,942	100	4,741	100

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

(2) ATCO Investments includes Neltume Ports, which is accounted for as an investment in equity interest in associate company. Additional detail is discussed in Note 25 ("Investment in Associate Company") of the 2025 Consolidated Financial Statements.

STRUCTURES & LOGISTICS

ATCO Structures continues to grow its market presence and service capabilities through both organic and inorganic strategic initiatives. Over the last three years increases in revenues were driven by the acquisition of NRB Limited (NRB) in Canada and the expanded operating footprint via branch additions in the US to meet the demand for core product offerings. This demand combined with continuous optimization of rental fleet performance has sustained steady growth of the rental fleet and organic growth of the base business over the past three years.

Over the past three years, ATCO Frontec has benefited from a base of long-term facility operations and maintenance contracts and workforce lodging and support contracts while increasing presence in the disaster and emergency management market. In 2025, ATCO Frontec higher revenues are primarily attributable to the new Polar-Over-the-Horizon North, Artemis Gold, and CFC Toronto contracts, partially offset by closed and winding down projects and lower activity at the Facility Operations and Maintenance projects.

ATCO STRUCTURES

NRB Acquisition

In August 2024, ATCO Structures completed the acquisition of a 100 per cent ownership interest in NRB, a leading Canadian manufacturer of permanent modular industrial, educational and residential buildings. This acquisition extends ATCO Structures' manufacturing footprint into British Columbia and Ontario, and expands the ability to provide turnkey modular solutions across Canada.

ATCO FRONTEC

Fire Prevention Services 2016 Ltd. (FPS) Acquisition

In December 2023, ATCO Frontec acquired FPS, a full-service fire inspection, testing and maintenance company with operations in Northwest Territories, Nunavut and Alberta. The acquisition extends Frontec's offering as an operational support services provider for government, defence and commercial clients and operates as a new business line for ATCO Frontec within Canada.

ATCO INVESTMENTS

In 2025, ATCO 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, which then included ATCO Land and Development, Ashcor, and ATCO Energy, had been reported separately. Over the last three years higher revenue was partially due to increased volume and pricing at Ashcor's facilities, and the acquisition of ATCO Energy in 2024, which has created additional revenue for ATCO Investments.

While ATCO does not report revenue for Neltume Ports as it is accounted for using the equity accounting method, Neltume Ports' financial results have steadily improved over the past three years. Earnings have increased largely due to the increased ownership at existing ports and strategic acquisitions and developments in the US, improved margins across operations within the portfolio of ports, and favourable exchange rates.

NELTUME PORTS

Vancouver Bulk Terminal Joint Venture

Neltume Ports and its partner, Nautilus International Holding Corporation (Nautilus), entered into a contract during the second quarter of 2023 with the Port Authority of Vancouver in Washington State to operate Terminal 2. The contract is for a 30-year term and allows for the opportunity to renew the contract for two additional terms of 10-years each. The Port of Vancouver is strategically located on the US Pacific coast for export of mineral and other bulk material.

Vancouver Bulk Terminal, a joint venture between Neltume Ports and Nautilus, secured project capital financing in May 2024 for the development of the soda ash export bulk facility at Terminal 2 within the Port of Vancouver, Washington. In May 2025, Vancouver Bulk Terminal held a groundbreaking ceremony to mark the commencement of construction for the export bulk facility. This facility will have the capacity to export 3 million tonnes of soda ash annually and will support soda ash volumes from Solvay's Green River, Wyoming operations while providing additional export capacity to the North American soda ash industry. Soda ash plays a key role in the manufacturing of glass used for buildings, solar panels, containers, and vehicles. It is also vital for the production of lithium used in electric vehicle batteries and other electronics, and a fundamental ingredient in everyday items such as detergents, pharmaceuticals, and baking soda. The upgraded terminal is expected to be operational by late 2026.

Ownership Interest Increases

In 2023, Neltume Ports increased its ownership interest in the four Sagres ports from 90 per cent to 95 per cent, in Puerto Angamos from 40 per cent to 50 per cent, and in Terminal Graneles del Norte from 40 per cent to 50 per cent.

Automobile International Terminal, LLC (AIT)

On June 16, 2025, Neltume sold its 50 per cent interest in the AIT port, located in Mobile, Alabama, to its 50/50 joint venture partner Terminal Zarate US, Inc. who now maintains full 100 per cent ownership of the port.

Odivesa Acquisition

On December 30, 2025, Neltume acquired an 80 per cent interest in Odivesa, a stevedoring company that operates in Puerto Quetzal, Guatemala for $0.5 million USD.

OTHER INVESTMENTS

Ashcor

On January 6, 2025, Ashcor announced an agreement with Consumers Energy to extract and repurpose impounded coal ash from the J.H. Campbell Generating Complex, located near Holland, Michigan. This project represents Ashcor's first RAM™ facility in the US, and construction of the facility will commence in 2026. The operational life of the project is expected to be approximately twenty years.

ATCO Land and Development

Viva Homes by ATCO

In March 2025, the Company introduced ATCO Land and Development's new venture, Viva Homes. This venture is working in the residential housing space with a strategy of bringing high-quality, cost-competitive housing to the market through the utilization of ATCO Structure's advanced modular construction processes and ATCO's development expertise. This strategy will support the national need for housing at an expedited pace relative to conventional on-site construction. Viva Homes has two upcoming projects in Calgary, Alberta in the communities of Arbour Lake and Forest Lawn, which broke ground in the second quarter of 2025, and the first quarter of 2026, respectively.

Retail Businesses

In 2023, ATCO acquired Fresh Bites, a food service company, and Canadian Utilities subsequently transferred our legacy retail food services brand Blue Flame Kitchen to ATCO Energy to create strategic alignment. Continuing this alignment, in the third quarter of 2024, ATCO purchased ATCO Energy from Canadian Utilities.

ATCO CORPORATE & OTHER

Executive Appointments and Retirements

Effective July 1, 2025, Marshall F. Wilmot, President, Retail and Chief Digital Officer, retired.

Effective July 2, 2025, Neeraj Ghai was appointed to the role of President, ATCO Energy.

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

Board of Directors Appointments

Effective May 10, 2023, Jason T. Kenney was appointed to the Board of Directors of ATCO Ltd.

Effective January 1, 2025, Dawn L. Farrell and Kelly C. Koss-Brix were appointed to the Board of Directors of ATCO Ltd.

Effective November 3, 2025, Robert J. Peabody was appointed to the Board of Directors of ATCO Ltd.

Board of Directors Retirements and Resignations

In 2023, Denis M. Ellard and Michael R.P. Rayfield retired from the ATCO Ltd. Board of Directors, and did not stand for re-election at the Annual Meeting held May 10, 2023.

In 2025, Robert T. Booth retired from the ATCO Ltd. Board of Directors, and did not stand for re-election at the Annual Meeting held May 14, 2025.

On August 29, 2025, Dawn Farrell resigned from the ATCO Ltd. Board of Directors following the Canadian federal government's announcement appointing her as the Chief Executive Officer, Major Projects Office.

Plan of Arrangement Transaction

On December 11, 2025, ATCO completed an exchange proposal (the ATCO Arrangement) to holders (Class II Non-Controlling Holders) of Class II voting shares other than Sentgraf Enterprises Ltd. (Sentgraf). The ATCO Arrangement was completed by way of a statutory plan of arrangement under the *Business Corporations Act* (Alberta). Under the terms of the ATCO Arrangement, each Class II voting share held by a Class II Non-Controlling Holder was exchanged for 1.15 Class I non-voting shares of ATCO. Following completion of the ATCO Arrangement, the only remaining holder of Class II voting shares is Sentgraf, and the Class II voting shares were delisted from the Toronto Stock Exchange (TSX) on December 15, 2025.

CANADIAN UTILITIES

ATCO ENERGY SYSTEMS

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

ATCO Energy Systems' revenues have been positively impacted over the last three years mainly due to growth in rate base. However, throughout the last three years, revenues have been influenced by several regulatory decisions. Following the

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

Capital Expenditures

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

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

Electricity Distribution and Transmission

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

Central East Transfer Out Project

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

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

International Electricity Operations

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

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

Natural Gas Distribution and Transmission

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

Yellowhead Pipeline Project

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

Mains Replacement Program

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

Other

Impairments

In 2025, the Alberta Utilities recorded asset impairments of $22 million (after-tax and non-controlling interests). These impairments are mainly related to certain hydrogen assets in Natural Gas Distribution which were impaired due to the uncertainty of utility hydrogen regulations being considered by the Government of Alberta, and certain electricity generation assets in Electricity Transmission which are no longer in service.

ATCO ENPOWER

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

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

Electricity Generation

Calgary Solar Development Projects

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

Empress Solar Development Project

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

Renewable Energy Portfolio Acquisition

In early 2023, Canadian Utilities closed the acquisition of renewable assets from Suncor for a purchase price of $691 million, net of cash acquired and working capital adjustments. The acquisition included a majority interest in the 40-MW Adelaide wind

facility in Ontario, the 202-MW (uprated to 225-MW subsequent to acquisition) Forty Mile wind facility in Alberta, and a development pipeline with more than 1,500-MW of wind and solar projects at various stages of development.

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

Elmworth Generating Station Acquisition

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

Other

Impairments

In 2025, ATCO EnPower recorded impairments and asset write-offs of $214 million (after-tax and non-controlling interests) mainly related to the Alberta Renewables Portfolio that was primarily driven by the Government of Alberta's recent legislated policy and regulatory changes, including the retirement of the zero-congestion transmission framework, combined with longstanding transmission infrastructure constraints that were not addressed prior to these changes. This includes elevated curtailment from inadequate transmission infrastructure and electricity grid deficiencies, which are expected to worsen under the AESO's new Optimal Transmission Planning and restructured energy market regulatory reforms. These impacts, combined with existing market conditions (oversupply of electricity driving low power prices and weak carbon pricing), further amplify the financial impact, resulting in the impairments.

ATCO AUSTRALIA

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

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

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

ATCO Gas Australia

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

Albany Gas Network Decommissioning

In 2025, ATCO Australia recorded asset impairments of $11 million (after-tax and non-controlling interests). During 2025, ATCO Australia performed an extensive review of its non-regulated Albany Gas Distribution System (AGDS), and identified that many of the pipes that make up AGDS are nearing end-of-life and the cost of replacing them would be too financially onerous for customers. As a result, ATCO Gas Australia announced its intention to phase out the AGDS network over the next three years

commencing in the second half of 2026. ATCO is working with the Western Australia Government and industry partners to support a smooth transition for the almost 8,000 households and businesses served by the network.

Source Solar

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

CANADIAN UTILITIES FINANCING & OTHER

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 sale of ATCO Energy to ATCO in 2024.

Sale of ATCO Energy Ltd.

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

Executive Appointments and Retirements

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

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

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

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

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

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

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

Board of Directors Appointments

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

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

Board of Directors Retirement

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

Participation in Canadian Utilities Dividend Reinvestment Plan (DRIP)

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

Plan of Arrangement Transaction

On December 15, 2023, Canadian Utilities completed an exchange proposal (the Canadian Utilities Arrangement) to holders (Class B Non-Controlling Holders) of Class B common shares other than ATCO and certain of its related parties. The Canadian Utilities Arrangement was completed by way of a statutory plan of arrangement under the *Canada Business Corporations Act*. Under the terms of the Canadian Utilities Arrangement, each Class B common share held by a Class B Non-Controlling Holder was exchanged for 1.1 Class A non-voting shares of Canadian Utilities. Following completion of the Canadian Utilities

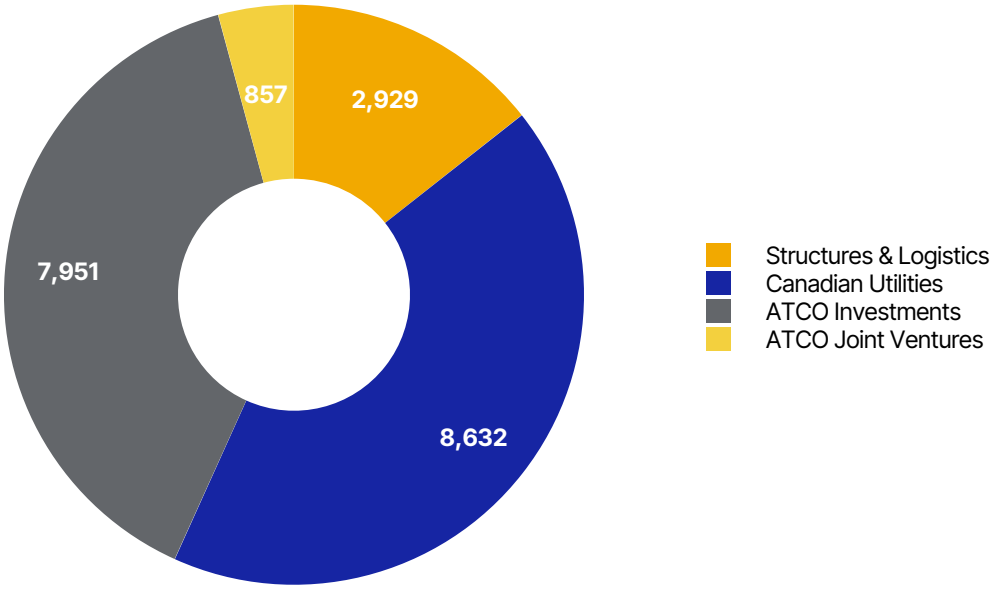
Arrangement, the only remaining holders of Class B common shares are ATCO and certain of its related parties, and the Class B common shares were delisted from the TSX on December 19, 2023.

Branding Initiative

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

EMPLOYEE INFORMATION

At December 31, 2025, the Company had 20,369 employees: 2,929 in Structures & Logistics, 7,951 in ATCO Investments, including the 7,538 employees in the Neltume Ports equity investment, and 857 employees in ATCO joint ventures. Canadian Utilities' employee count of 8,632 includes 3,777 employees related to LUMA Energy, and 30 employees in joint ventures.



SPECIALIZED SKILLS AND KNOWLEDGE

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

ETHICS, SOCIAL AND ENVIRONMENTAL POLICIES

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

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

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

ENVIRONMENTAL PROTECTION

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

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

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

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

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

SUSTAINABILITY

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

POLICY AND REGULATORY UPDATES

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

BUSINESS RISKS AND RISK MANAGEMENT

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

INTANGIBLES

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

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

DIVIDENDS

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

(Canadian dollars per share)	2025	2024	2023
Class I and Class II Shares	**2.02**	1.96	1.90

The Company's practice is to pay dividends quarterly on its Class I and Class II Shares. The Company has increased its common share dividend each year since 1993. On January 8, 2026, the Board of Directors declared a first quarter dividend of 51.96 cents per share or $2.08 on an annualized basis. The payment of any dividend is at the discretion of the Board of Directors and depends on our financial condition and other factors.

CAPITAL STRUCTURE

SHARE CAPITAL

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

Share Description	Authorized	Outstanding
Preferred Shares issuable in series	20,000,000	—
Junior Preferred Shares issuable in series	8,000,000	—
Class I Shares	300,000,000	100,863,233
Class II Shares	50,000,000	11,542,320

PLAN OF ARRANGEMENT TRANSACTION

On December 11, 2025, ATCO completed the ATCO Arrangement by way of a statutory plan of arrangement under the *Business Corporations Act* (Alberta). Under the terms of the ATCO Arrangement, each Class II voting share held by a Class II Non-Controlling Holder was exchanged for 1.15 Class I non-voting shares of ATCO. Following completion of the ATCO Arrangement, the only remaining holder of Class II voting shares is Sentgraf, and the Class II voting shares were delisted from the TSX on December 15, 2025.

PREFERRED SHARES AND JUNIOR PREFERRED SHARES

The Preferred Shares and Junior Preferred Shares are issuable from time to time in one or more series with rights, restrictions, conditions and limitations as may be determined by the Board of Directors. Both the Preferred Shares and Junior Preferred Shares have priority over the Class I Shares and Class II Shares in the payment of dividends and the distribution of assets on the liquidation, dissolution or winding up of the Company.

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, 6,570,950 Class I Shares were available for issuance at December 31, 2025. Options may be granted to officers and key employees of the Company and its subsidiaries at an exercise price equal to the weighted average of the trading price of the shares on the TSX for the five trading days immediately preceding the grant date. The vesting provisions and exercise period (which cannot exceed 10 years) are determined at the time of grant.

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 February 24, 2026, 513,500 Class I Shares were purchased for approximately $26 million. Upon the expiration of our current NCIB, we intend to make an application to renew our NCIB program, subject to acceptance by the TSX. Upon the expiration of our current NCIB, we intend to make an application to renew our NCIB program, subject to acceptance by the TSX.

A copy of the notices filed with the TSX may be obtained by any share owner without charge by contacting the Corporate Secretary at the head office of the Company.

LONG-TERM DEBT

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

CREDIT FACILITIES

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

($ millions)	Total	Used	Available
Long-term committed	**3,383**	1,019	2,364
Short-term committed	**343**	343	—
Uncommitted	**742**	228	514
Total	**4,468**	1,590	2,878

Of the $4,468 million in total lines of credit, $742 million was in the form of uncommitted credit facilities with no set maturity date. The other $3,726 million in credit lines was committed with maturities between 2026 and 2029, and may be extended at the option of the lenders.

Of the $1,590 million in lines of credit used, $681 million was related to ATCO Gas Australia. Long-term committed credit lines are used to satisfy all of ATCO Gas Australia's term debt financing needs. The majority of the remaining usage is related to the funding needs in ATCO EnPower, the issuance of Canadian Utilities' letters of credit, and ATCO Structures & Logistics' funding to expand its global rental fleet and working capital needs on workforce housing projects.

Details with respect to the credit facilities can be found in Note 17 of the 2025 Consolidated Financial Statements. The Consolidated Financial Statements may be found on SEDAR+ at www.sedarplus.ca.

CREDIT RATINGS

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

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

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

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

	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)] an A- issuer and senior unsecured debt credit rating with a stable outlook.		

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

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

On August 28, 2025, DBRS Limited affirmed its 'A (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.

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

ISSUER CREDIT RATINGS AND LONG-TERM DEBT

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

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

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

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

COMMERCIAL PAPER AND SHORT-TERM DEBT CREDIT RATINGS

An 'R-1 (low)' rating by DBRS is the lowest subcategory in the highest of six categories and is granted to short-term debt of good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating subcategories and may be vulnerable to future events, but qualifying negative factors are considered manageable. Rating categories 'R-1' and 'R-2' are denoted by the subcategories 'high', 'middle', and 'low'.

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

PREFERRED SHARE CREDIT RATINGS

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

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

MARKET FOR SECURITIES OF THE COMPANY

The Company's Class I Shares are listed on the TSX.

TRADING PRICE AND VOLUME

The following table sets forth the high and low prices and volume of the Company's shares, traded on the TSX under the symbol ACO.X during 2025 as reported by the TSX:

	Class I Shares			Class II Shares [1]		
2025	High ($)	Low ($)	Volume	High ($)	Low ($)	Volume
January	$47.83	$45.02	6,587,156	$51.34	$46.03	5,834
February	$48.96	$44.42	7,208,944	$50.00	$48.53	2,843
March	$50.11	$46.78	6,813,175	$51.00	$46.00	6,378
April	$51.89	$46.67	5,832,290	$51.50	$50.51	7,872
May	$52.79	$49.19	6,351,248	$55.99	$52.00	16,159
June	$52.32	$50.10	6,779,712	$57.00	$51.10	9,219
July	$52.27	$49.50	7,960,987	$56.76	$51.02	6,575
August	$51.75	$49.30	6,070,699	$53.49	$50.01	11,879
September	$50.29	$47.52	8,311,833	$52.00	$48.50	12,821
October	$54.88	$49.86	6,714,485	$60.50	$51.31	11,765
November	$57.11	$52.17	7,770,692	$71.21	$60.98	5,026
December	$56.32	$52.44	6,435,536	$69.32	$57.18	1,971

(1) The December 2025 delisting of the Class II Shares given the December 2025 Arrangement resulting in the exchange of 1.15 Class I Share for each Class II share. These shares will no longer be traded on the market.

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS [1]



JASON T. KENNEY, PC

Primary residence	Calgary, Alberta, Canada
Director since	2023
Independent	

Mr. Kenney completed a distinguished 25-year career in elected public service at both the federal and provincial levels. After serving as a founder and CEO of the Canadian Taxpayers Federation, he was elected to the Parliament of Canada in 1997, going on to serve seven terms. He held senior front bench Opposition positions, and was appointed to several Cabinet roles between 2006-2016, including as Minister of National Defence, Minister of Employment and Social Development, Minister of Citizenship and Immigration, Minister of Multiculturalism, Chair of the Cabinet Operations Committee, and Regional Minister for Alberta.

Mr. Kenney served as the 18th Premier of Alberta from 2019 to 2022, leading Alberta's economic turnaround, leading the creation of Alberta's Recovery Plan, Natural Gas Vision and Strategy, Hydrogen Roadmap and the Alberta Indigenous Opportunities Corporation. He now works in the private sector as an advisor, director and consultant.

He was sworn in as a Privy Councilor in 2007.



KELLY C. KOSS-BRIX

Primary residence	Calgary, Alberta, Canada
Director since	2025
Not Independent	Ms. Koss-Brix is not independent because she has a material relationship with ATCO. She is an immediate family member of the Chair & Chief Executive Officer.

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

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

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



ROBERT J. PEABODY

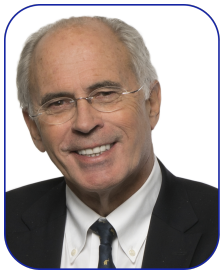
Primary residence Calgary, Alberta, Canada

Director since 2025

Independent

Robert Peabody has led a distinguished career in the global energy industry since graduating with his Bachelor of Science in Mechanical Engineering from the University of British Columbia. He also holds a Master of Management Science from Stanford University (Sloan Fellow).

Over the course of his career, Mr. Peabody spent 26 years with BP where he held leadership positions in Canada, the UK and the US that included Upstream production, Natural Gas Marketing, Oil Trading, Chemicals and Group Strategy, and Planning and Performance Management. In 2006, he returned to Canada and joined Husky Energy, first as Chief Operating Officer and then as the President and CEO, until its merger with Cenovus in 2021 creating the third largest Canadian oil and gas producer with an extensive Downstream and International Operations. Mr. Peabody also chairs the Calgary Health Foundation Board. Mr. Peabody also chairs the Calgary Health Foundation and is a director of Petronas Canada.



ROBERT J. ROUTS, PhD (2) (3)

Primary residence Brunnen, Switzerland

Director since 2012

Independent

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

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

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



NANCY C. SOUTHERN

Primary residence	Calgary, Alberta, Canada
Director since	1989
Not Independent	As Chair & Chief Executive Officer, Ms. Southern is not independent because she has a material relationship with ATCO.

Nancy Southern, A.O.E., B.E.M., is Chair & Chief Executive Officer of ATCO, as well as Executive Chair of Canadian Utilities, an ATCO company. Reporting to the Board of Directors, she is accountable for the strategic direction, vision and governance for the Company, and has full responsibility for its ongoing operations.

After joining the ATCO Board of Directors in 1989, Ms. Southern served as Co-Chair of ATCO for 16 years prior to being appointed Chair in December 2012. Ms. Southern was named President & Chief Executive Officer of ATCO in 2003. Ms. Southern also serves as Executive Vice President of Spruce Meadows Ltd. and is a founding director of AKITA Drilling Ltd., a director of Sentgraf Enterprises Ltd., an Honorary Director of the BMO Financial Group and Director Emeritus of the Rideau Hall Foundation. In addition to her business leadership, Ms. Southern has long played a leading role in advocating on social issues of global importance - most notably, the rights of Indigenous peoples and the role of women in business. She is an Honorary Chief of the Kainai (Blood Tribe of Alberta) who bestowed the name Aksistoowa'paakii, or Brave Woman, upon her in 2012.

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



LINDA A. SOUTHERN-HEATHCOTT

Primary residence	Calgary, Alberta, Canada
Director since	2012
Not Independent	Ms. Southern-Heathcott is not independent because she has a material relationship with ATCO. She is an immediate family member of the Chair & Chief Executive Officer.

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

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

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



NORMAN M. STEINBERG (2) (3)

Primary residence Côte Saint-Luc, Québec, Canada

Director since 2021

Independent

Norman M. Steinberg is Vice-Chair of BFL Canada, where he also sits on the Board of Directors and chairs the Governance Committee. From April 2017 to July 2019, Mr. Steinberg was Chair Emeritus of Norton Rose Fulbright Canada. Previously, Mr. Steinberg was Co-Chair and then Chair of Norton Rose Fulbright Canada and its predecessor firm, Ogilvy Renault. He was also Global Chair of Norton Rose Fulbright, one of the largest law firms in the world with 4,000 lawyers in 60 offices. At Norton Rose Fulbright Canada and its predecessor firms, Mr. Steinberg focused on mergers and acquisitions, corporate finance, privatization and corporate governance.

Mr. Steinberg is also Co-Chair of the Board of Dorel Industries where he chairs the Nominating and Governance Committee, Director of Fiera Capital where he chairs the Nominating and Governance Committee, Senior Advisor of Persistence Capital Partners (private equity), Chair of the Board of Governors of The McGill University Health Centre Foundation (former Chair of the Foundation), Director and member of the Organizing Committee as well as former Canadian Co-Chair of the Australia-Canada Economic Leadership Forum, Senior Advisor of Teneo, and Chair of the Board of Advisors of Alexa Translations.

He served as a director of numerous other boards, including Gildan Activewear, Canadian Marconi Company, Centraide of Montreal and the Foundation of the Montreal Museum of Fine Arts. He was former Vice-Chair and Executive Committee member of the Montreal Symphony Orchestra, former President of the Canadian Club of Montreal, former Co-Chair of Women in Governance, and former Chairman of the Mount Royal Club of Montreal. In 2024, Mr. Steinberg was awarded the Order of Montreal, title of Officer. In 2025, Mr. Steinberg was named Knight for the National Order of Quebec.

Mr. Steinberg holds a Bachelor of Science and a Bachelor of Civil Law from McGill University in Montreal, Québec.



ROGER J. URWIN, PhD, C.B.E.

Primary residence London, England

Director since 2014

Independent

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

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

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



SUSAN R. WERTH (2) (3)

Primary residence Calgary, Alberta, Canada

Director since 2014

Independent

Ms. Werth retired as Senior Vice President & Chief Administration Officer, ATCO Ltd. and Canadian Utilities Limited in May 2014. In this role Ms. Werth was responsible for Human Resources, Corporate Secretarial, Marketing and Communications, Security, Real Estate, Aviation and Administration. She was Chair of ATCO's Disclosure, Management Pension, Crisis Management, and Donations & Sponsorship Committees. She was Vice President, Administration, ATCO Group from 1995 to 2000. During her career, Ms. Werth gained a wealth of experience and brings significant insight into all aspects of ATCO's business. Ms. Werth is also on the Board of ATCO Structures & Logistics Ltd. and Sentgraf Enterprises Ltd.

(1) All directors hold office until the close of the annual meeting of share owners of the Company or until their successors are elected or appointed.
(2) Member of the Corporate Governance - Nomination, Compensation and Succession Committee.
(3) Member of the Audit & Risk Committee.

EXECUTIVE OFFICERS (IN ALPHABETICAL ORDER)

Name, Province and Country of Residence	Position Held and Principal Occupation
James D. Armstrong Alberta, Canada	Senior Vice President, Technology & Global Security
Adam M. Beattie Alberta, Canada	President, ATCO Structures, ATCO Structures & Logistics Ltd.
Kyle M. Brunner Alberta, Canada	Senior Vice President, General Counsel & Corporate Secretary
M. George Constantinescu [(1)] Alberta, Canada	Executive Vice President & Chief Transformation Officer
P. Derek Cook Alberta, Canada	Senior Vice President & Controller
Lisa Cooke Alberta, Canada	Senior Vice President, Chief Marketing Officer
G. Dale Friesen Alberta, Canada	Senior Vice President, Corporate Affairs & Chief Government Affairs Officer
Neeraj Ghai Alberta, Canada	President, ATCO Energy
Colin R. Jackson Alberta, Canada	Senior Vice President, Financial Operations
James Landon Alberta, Canada	President, Frontec, ATCO Structures & Logistics Ltd.
Robert J. Myles Alberta, Canada	Chief Executive Officer, Canadian Utilities Limited
Katherine-Jane Patrick Alberta, Canada	Executive Vice President, Chief Financial & Investment Officer
Rebecca A. Penrice Alberta, Canada	Executive Vice President, Chief Administration Officer
Christine R. Simpson Alberta, Canada	Senior Vice President, Corporate Real Estate & Facility Solutions
Nancy C. Southern Alberta, Canada	Chair & Chief Executive Officer

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

POSITIONS HELD BY EXECUTIVE OFFICERS WITHIN THE PRECEDING FIVE YEARS

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

- Mr. Armstrong was appointed Senior Vice President, Corporate Security in April 2023, and was later promoted to Senior Vice President, Technology & Global Security in May 2023. Prior to joining the Company, he was Chief Security and Chief Data Officer for Shaw Communications from January 2018 to April 2023.
- Mr. Brunner was appointed as Vice President, Corporate Secretary in September 2021 and was later promoted to Senior Vice President, General Counsel & Corporate Secretary in November 2022. Prior to joining the Company, he was Vice President, General Counsel & Corporate Secretary at Seven Generations Energy Ltd. Mr. Brunner was with Seven Generations from February 2015 to April 2021.
- Ms. Cooke joined the Company as Senior Vice President, Chief Marketing Officer in September 2022. Prior to joining the Company, she was employed at Shaw Communications / Freedom Mobile from 2017 to 2022, where her most recent position was that of Vice President, Brand, Advertising & Marketing.

- Mr. Ghai joined the Company as President, ATCO Energy in July 2025. Prior to joining the Company, he was employed at The Shopping Channel, a retail business under Rogers Sports and Media, from 2018 to 2024, where his most recent position was that of President / General Manager.

DIRECTORS' AND EXECUTIVE OFFICERS' INTEREST IN THE COMPANY

Sentgraf holds 11,542,320 (100 per cent) of the issued and outstanding Class II Shares of ATCO. Sentgraf is controlled by the Sentgraf Spousal Trust (the Spousal Trust), and Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust. Sentgraf and the Spousal Trust are collectively referred to as the Majority Share Owner. Other than as set forth in this paragraph, the directors and executive officers of the Company, as a group, do not beneficially own, or control or direct, directly or indirectly (via corporate holdings or otherwise), any of the Class II Shares of ATCO.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As at February 24, 2026, there were 11,542,320 Class II Shares outstanding. To the knowledge of the directors and executive officers of the Company, the only person who beneficially owns, controls or directs, either directly or indirectly, 10 per cent or more of the Class II Shares is Sentgraf. Sentgraf owns 11,542,320 Class II Shares representing 100 per cent of the outstanding Class II Shares. Sentgraf is controlled by the Spousal Trust and Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust.

On December 11, 2025, ATCO completed the ATCO Arrangement by way of a statutory plan of arrangement under the *Business Corporations Act* (Alberta). Under the terms of the ATCO Arrangement, each Class II voting share held by a Class II Non-Controlling Holder was exchanged for 1.15 Class I non-voting shares of ATCO. Following completion of the ATCO Arrangement, the only remaining holder of Class II voting shares is Sentgraf, and the Class II voting shares were delisted from the TSX on December 15, 2025.

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

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES OR SANCTIONS

Corporate Cease Trade Orders

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

i. was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued while the proposed director was acting in that capacity; or

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

Corporate Bankruptcies

Except as otherwise disclosed below, no director, executive officer or controlling security holder of the Company is, as at the date of this AIF, or has been, within 10 years before the date hereof, a director or executive officer of any company (including ATCO) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Ms. Nancy C. Southern was, until her resignation on August 24, 2020, a director and President of Swizzlesticks Enterprises Ltd., a private Alberta corporation operating a salon and spa in Calgary, Alberta, which on August 24, 2020, commenced

proposal proceedings pursuant to the *Bankruptcy and Insolvency Act* (Canada) by filing a notice of intention to make a proposal. The corporation was declared bankrupt and a trustee was appointed on August 25, 2020. An application for the discharge of the trustee was approved on December 14, 2021.

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

Personal Bankruptcies

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

Penalties or Sanctions

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

i. been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

ii. been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

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

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Class I Shares and Class II Shares is Odyssey Trust Company at its principal offices in Calgary, Vancouver, and Toronto.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

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

MATERIAL CONTRACTS

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

INTERESTS OF EXPERTS

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

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this AIF includes, but is not limited to, references to: the Company's strategic plans and investment strategy; emissions reduction efforts and initiatives; expected growth, expansion and diversification opportunities; the expected timing of commencement, completion or commercial operations of activities, contracts and projects; the expected term or expiry of contracts and concessions; the impact or benefits of contracts, including economic and other benefits for the Company and its partners and counterparties; the payment of dividends and expected dividend growth; the size, storage, generation or transmission capacity expected from assets and projects; expectations regarding ATCO Structures' sustainable earnings growth, growth strategy, and it being well positioned to capture growth in an expanded market; ATCO Frontec continuing to grow its business as an international provider of integrated operation support services to government, defence and commercial clients; Neltume Ports' anticipated growth being achieved by improving operational efficiency, increasing volumes and ownership at existing ports, and investing in brownfield, greenfield and acquisition opportunities; ATCO Land and Development's housing and growth strategy (including through its new venture, Viva Homes) helping to meet the national need for housing at an expedited pace, and Viva Homes' upcoming projects; Ashcor's continued pursuit of organic expansion; ATCO Energy's growth pursuits, including expanding market presence in Alberta; the anticipated size, specifications and incremental natural gas delivery capacity of Yellowhead, the anticipated capital spend on Yellowhead, and the number of regulatory applications and expected timing for commencement of construction and bringing Yellowhead on-stream; the integrated relationship between NGTL and ATCO Energy Systems' natural gas transmission supporting growth in Alberta through a coordinated, province-wide transmission system; ATCO EnPower prioritizing growth in dispatchable and flexible forms of generation, its focus on opportunities that enhance system stability, and its continued assessment of opportunities that may complement its generation portfolio; expectations regarding the Atlas Carbon Storage Hub, including the timing of commercial operations, the anticipated benefits of the project, the storage of industrial emissions, including from Shell's Polaris carbon capture project, with future expansions subject to additional investment decisions; expectations around demand in Australian electricity markets; impairments related to ATCO EnPower's Alberta renewable energy portfolio caused by changes and anticipated future negative impacts arising from regulatory reforms; Australia's developing regulations, government emissions reduction targets and associated investment incentives presenting ATCO Australia with opportunities it is well positioned to pursue; ATCO Gas Australia's intention to phase out the AGDS network commencing and the anticipated timeline for doing so; ATCO Australia's continued support of hydrogen development; the construction timing and expected operational date for the soda ash bulk facility being developed at Terminal 2 within the Port of Vancouver, Washington, and the export capacity to be achieved therefrom; the construction timeline for the Ashcor RAM facility and its expected operational life; expectations regarding CETO, including the anticipated size, capacity and benefits of the project, the anticipated timing for energization of the project, and the anticipated total investment in the project; the Company's intention to apply for a renewed NCIB subsequent to the expiration of its current NCIB, subject to acceptance by the TSX; the expected impact of new legislation; and the expected timing and impact of policy and regulatory decisions and new policy and regulatory announcements.

Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such

statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated in such forward-looking information. The forward-looking information reflects the Company's beliefs and assumptions with respect to, among other things: the applicability and stability of legal and regulatory requirements in the jurisdictions in which we invest and/or operate; the payment of fees owing pursuant to applicable contracts; 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 budgets; the availability of financing sources on acceptable terms; and other assumptions inherent in management's expectations in respect of the forward-looking information identified herein.

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

This AIF may contain information that constitutes future-oriented financial information or financial outlook information, all of which are subject to the same assumptions, risk factors, limitations and qualifications set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on such future-oriented financial information or financial outlook information. The Company's actual results, performance and achievements could differ materially from those expressed in, or implied by, such future-oriented financial information or financial outlook information. The Company has included such information in order to provide readers with a more complete perspective on its future operations and its current expectations relating to its future performance. Such information may not be appropriate for other purposes and readers are cautioned that such information should not be used for purposes other than those for which it has been disclosed herein. Future-oriented financial information or financial outlook information contained herein was made as of the date of this AIF.

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

ADDITIONAL INFORMATION

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

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

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

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

GLOSSARY

2025 Consolidated Financial Statements means ATCO Ltd.'s Consolidated Financial Statements for the year ended December 31, 2025.

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

AESO means Alberta Electric System Operator.

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

APL means Alberta PowerLine.

AUC means the Alberta Utilities Commission.

Class 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.

DRIP means Dividend Reinvestment Plan.

ESG means Environmental, Social and Governance.

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

IFRS means International Financial Reporting Standards.

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

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

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

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

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

PPA means Power Purchase Agreement.

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

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

ROE means Return on Equity.

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

USD means United States dollars.

APPENDIX 1:

AUDIT & RISK COMMITTEE INFORMATION

AUDIT & RISK COMMITTEE MANDATE

PURPOSE

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

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

AUTHORITY

The Committee is empowered to:

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

COMPOSITION

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

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

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

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

MEETINGS

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

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

DUTIES AND RESPONSIBILITIES

Public Reporting

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

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

External Auditor

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

Internal Auditor

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

Risk Management

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

Other

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

Reporting

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

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

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

- N.M. Steinberg (Chair) - Mr. Steinberg is Vice-Chair of BFL Canada, where he also sits on the Board of Directors and chairs the Governance Committee. Mr. Steinberg is also co-chair and a member of the Board of Directors of Dorel Industries and a member of the Board of Directors of Fiera Capital. From April 2017 to July 2019, Mr. Steinberg was Chair Emeritus of Norton Rose Fulbright Canada. Previously, Mr. Steinberg was Co-Chair and then Chair of Norton Rose Fulbright Canada and its predecessor firm, Ogilvy Renault. He was also Global Chair of Norton Rose Fulbright, one of the largest law firms in the world with 4,000 lawyers in 60 offices. At Norton Rose Fulbright and its predecessor firms, Mr. Steinberg focused on mergers and acquisitions, corporate finance, privatization and corporate governance. Mr. Steinberg holds a Bachelor of Science and a Bachelor of Civil Law from McGill University in Montreal, Québec.
- R.J. Routs - Until his retirement in 2008, Dr. Routs was an Executive Board Member at Royal Dutch Shell plc. Prior to that, he held various senior management positions at Royal Dutch Shell in the US, Canada and The Netherlands. Dr. Routs was a long standing Chairman of two global public AEX listed companies: Royal DSM NV and AEGON NV. Additionally, Dr. Routs has been a member of the Audit and Pension Committees for several public companies. Dr. Routs has substantial experience in the refining and chemical industry with a strong focus on operational safety and sustainable operations to reduce the industry's impact on the environment.
- S.R. Werth - Until her retirement as Senior Vice President & Chief Administration Officer of ATCO and Canadian Utilities Limited in 2014, Ms. Werth was responsible for the financial and operating performance of the corporate administrative functions of both companies. She also Chaired numerous committees including the ATCO & Canadian Utilities Disclosure Committees, the ATCO Crisis Management Committee, as well as the Canadian Utilities Management Pension Committee. Membership on these committees required a strong understanding of financial reporting, public reporting requirements and risk management strategies.

PRE-APPROVAL PROCEDURES

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

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

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

EXTERNAL AUDITOR SERVICE FEES

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

($ Millions)	**2025**	**2024**
Audit fees [1]	**6.4**	6.5
Audit-related fees [2]	**0.2**	—
Tax fees [3]	**0.2**	0.2
All other fees [4]	**3.8**	0.3
Total	**10.6**	7.0

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

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

(3) Tax fees are the aggregate fees paid to the external auditor for tax compliance, tax advice, tax planning and advisory services relating to the preparation of corporate tax, capital tax and sales tax returns.

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