ATCO LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

TABLE OF CONTENTS

	Page
Consolidated Statements of Earnings	2
Consolidated Statements of Comprehensive Income	3
Consolidated Balance Sheets	4
Consolidated Statements of Changes in Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	
General Information	
1. The Company and its Operations	7
2. Basis of Presentation	7
Information on Financial Performance	
3. Segmented Information	10
4. Revenues	20
5. Earnings per Share	22
Information on Financial Position	
6. Property, Plant and Equipment	22
7. Long-Term Debt	23
8. Class I and Class II Shares	24
Information on Cash Flow	
9. Cash Flow Information	25
Risk	
10. Financial Instruments	26
11. Subsequent Event	29

CONSOLIDATED STATEMENTS OF EARNINGS

		Three Months Ended September 30		Nine Months Ended September 30	
(millions of Canadian Dollars except per share data)	Note	2026	2025	2026	2025
Revenues	4	**1,335**	1,184	**4,080**	3,753
Costs and expenses					
Salaries, wages and benefits	3	**(227)**	(179)	**(584)**	(534)
Energy transmission and transportation		**(84)**	(86)	**(256)**	(260)
Plant and equipment maintenance		**(81)**	(68)	**(207)**	(194)
Fuel costs		**(19)**	(11)	**(93)**	(78)
Purchased power		**(60)**	(53)	**(181)**	(153)
Materials and consumables		**(212)**	(195)	**(610)**	(503)
Depreciation, amortization and impairments	3	**(235)**	(213)	**(680)**	(633)
Franchise fees		**(59)**	(52)	**(243)**	(227)
Property and other taxes		**(24)**	(22)	**(69)**	(66)
Derivative financial instruments gains	10	**27**	14	**90**	39
Other		**(77)**	(35)	**(195)**	(170)
		(1,051)	(900)	**(3,028)**	(2,779)
Earnings from investment in associate company		**5**	8	**18**	23
Earnings from investment in joint ventures		**18**	19	**60**	59
Operating profit		**307**	311	**1,130**	1,056
Interest income		**17**	12	**53**	46
Interest expense		**(148)**	(135)	**(443)**	(405)
Net finance costs		**(131)**	(123)	**(390)**	(359)
Earnings before income taxes		**176**	188	**740**	697
Income tax expense		**(34)**	(43)	**(164)**	(152)
Earnings for the period		**142**	145	**576**	545
Earnings attributable to:					
Class I and Class II Shares		**83**	85	**323**	293
Non-controlling interests		**59**	60	**253**	252
		142	145	**576**	545
Earnings per Class I and Class II Share	5	**$0.74**	$0.76	**$2.87**	$2.61
Diluted earnings per Class I and Class II Share	5	**$0.73**	$0.75	**$2.85**	$2.60

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of Canadian Dollars)	**2026**	**2025**	**2026**	**2025**
Earnings for the period	**142**	145	**576**	545
Other comprehensive income (loss), net of income taxes				
Items that will not be reclassified to earnings:				
Re-measurement of retirement benefits [1]	**(50)**	(3)	**6**	22
Items that are or may be reclassified subsequently to earnings:				
Cash flow hedges [2]	**10**	3	**12**	(1)
Foreign currency translation adjustment [3]	**3**	29	**96**	(4)
Share of other comprehensive loss in associate company [3]	**(1)**	(1)	**–**	–
Share of other comprehensive income (loss) of joint ventures [3]	**–**	1	**3**	(2)
	12	32	**111**	(7)
Other comprehensive income (loss)	**(38)**	29	**117**	15
Comprehensive income for the period	**104**	174	**693**	560
Comprehensive income attributable to:				
Class I and Class II Shares	**60**	103	**403**	299
Non-controlling interests	**44**	71	**290**	261
	104	174	**693**	560

(1) Net of income tax recovery (expense) of $15 million and $(1) million for the three and nine months ended September 30, 2026 (2025 - $2 million and $(7) million).

(2) Net of income tax expense of $(3) million and $(4) million for the three and nine months ended September 30, 2026 (2025 - $(2) million and nil).

(3) Net of income taxes of nil (2025 - nil).

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

(millions of Canadian Dollars)	Note	September 30 2026	December 31 2025
ASSETS			
Current assets			
Cash and cash equivalents		**579**	1,004
Marketable securities		**360**	353
Accounts receivable and contract assets		**808**	835
Finance lease receivables		**17**	14
Inventories		**165**	146
Prepaid expenses and other current assets		**318**	274
		2,247	2,626
Non-current assets			
Property, plant and equipment	6	**23,362**	22,420
Intangibles		**1,237**	1,094
Right-of-use assets		**189**	162
Goodwill		**121**	124
Retirement benefit asset		**36**	51
Investment in joint ventures		**275**	268
Investment in associate company		**517**	501
Finance lease receivables		**91**	99
Deferred income tax assets		**117**	119
Other assets		**188**	204
Total assets		**28,380**	27,668
LIABILITIES			
Current liabilities			
Bank indebtedness		**37**	27
Accounts payable and accrued liabilities		**1,120**	936
Lease liabilities		**30**	28
Provisions and other current liabilities		**92**	87
Long-term debt	7	**89**	377
		1,368	1,455
Non-current liabilities			
Deferred income tax liabilities		**2,505**	2,381
Retirement benefit obligations		**259**	235
Customer contributions		**2,235**	2,165
Lease liabilities		**173**	147
Other liabilities		**340**	284
Long-term debt	7	**12,859**	12,652
Total liabilities		**19,739**	19,319
EQUITY			
Class I and Class II Share owners' equity			
Class I and Class II shares	8	**222**	215
Contributed surplus		**20**	16
Retained earnings		**4,460**	4,313
Accumulated other comprehensive income (loss)		**55**	(22)
		4,757	4,522
Non-controlling interests		**3,884**	3,827
Total equity		**8,641**	8,349
Total liabilities and equity		**28,380**	27,668

See accompanying Notes to Unaudited Interim Consolidated Financial Statements, including Note 11, Subsequent Event.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(millions of Canadian Dollars)	Note	Class I and Class II Shares	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total	Non-Controlling Interests	Total Equity
December 31, 2024		191	17	4,423	1	4,632	4,078	8,710
Earnings for the period		–	–	293	–	293	252	545
Other comprehensive income		–	–	–	6	6	9	15
Gains on retirement benefits transferred to retained earnings		–	–	11	(11)	–	–	–
Shares issued	8	16	–	–	–	16	11	27
Shares purchased and cancelled	8	(1)	–	(25)	–	(26)	–	(26)
Dividends	8	–	–	(170)	–	(170)	(245)	(415)
Share-based compensation		3	–	–	–	3	–	3
Changes in ownership interest in subsidiary company		–	–	(5)	–	(5)	5	–
Other		–	–	(2)	–	(2)	2	–
September 30, 2025		209	17	4,525	(4)	4,747	4,112	8,859
December 31, 2025		215	16	4,313	(22)	4,522	3,827	8,349
Earnings for the period		**–**	**–**	**323**	**–**	**323**	**253**	**576**
Other comprehensive income		**–**	**–**	**–**	**80**	**80**	**37**	**117**
Gains on retirement benefits transferred to retained earnings		**–**	**–**	**6**	**(6)**	**–**	**–**	**–**
Shares issued	8	**6**	**–**	**–**	**–**	**6**	**10**	**16**
Dividends	8	**–**	**–**	**(176)**	**–**	**(176)**	**(247)**	**(423)**
Share-based compensation		**1**	**3**	**–**	**–**	**4**	**1**	**5**
Changes in ownership interest in subsidiary company		**–**	**–**	**(4)**	**–**	**(4)**	**4**	**–**
Other		**–**	**1**	**(2)**	**3**	**2**	**(1)**	**1**
September 30, 2026		**222**	**20**	**4,460**	**55**	**4,757**	**3,884**	**8,641**

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Three Months Ended September 30		Nine Months Ended September 30	
(millions of Canadian Dollars)	Note	2026	2025	2026	2025
Operating activities					
Earnings for the period		**142**	145	**576**	545
Adjustments to reconcile earnings to cash flows from operating activities	9	**494**	402	**1,450**	1,246
Changes in non-cash working capital		**(1)**	5	**17**	31
Cash flows from operating activities		**635**	552	**2,043**	1,822
Investing activities					
Additions to property, plant and equipment		**(619)**	(418)	**(1,413)**	(1,249)
Proceeds on disposal of property, plant and equipment		**–**	–	**8**	8
Additions to intangibles		**(97)**	(39)	**(187)**	(95)
Acquisition, net of cash acquired		**–**	–	**–**	(3)
Investment in joint ventures		**(1)**	(5)	**(4)**	(7)
Investment in marketable securities		**(4)**	(3)	**(12)**	(13)
Changes in non-cash working capital		**120**	5	**126**	(7)
Other		**21**	(2)	**27**	27
Cash flows used in investing activities		**(580)**	(462)	**(1,455)**	(1,339)
Financing activities					
Issue of long-term debt	7	**178**	1,214	**370**	2,095
Repayment of long-term debt	7	**(19)**	(285)	**(516)**	(919)
Repayment of lease liabilities		**(8)**	(9)	**(27)**	(25)
Issue of Class A Shares by subsidiary company		**1**	1	**10**	10
Net issue (purchase) of Class I Shares	8	**1**	(23)	**6**	(10)
Dividends paid to Class I and Class II Share owners	8	**(59)**	(57)	**(176)**	(170)
Dividends paid to non-controlling interests		**(82)**	(82)	**(247)**	(245)
Interest paid		**(140)**	(133)	**(441)**	(404)
Other		**1**	(7)	**(3)**	(13)
Cash flows (used in) from financing activities		**(127)**	619	**(1,024)**	319
(Decrease) increase in cash position		**(72)**	709	**(436)**	802
Foreign currency translation		**4**	2	**1**	6
Beginning of period		**610**	191	**977**	94
End of period [1]	9	**542**	902	**542**	902

(1) Cash position includes $23 million which is not available for general use by the Company (2025 - $17 million).

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

SEPTEMBER 30, 2026

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

1. THE COMPANY AND ITS OPERATIONS

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

ATCO Ltd. is engaged in the following business activities:

- Structures & Logistics (workforce and residential housing, innovative modular facilities, construction, site support services, workforce lodging services, facility operations and maintenance, defence operations services, and disaster and emergency management services);
- Neltume Ports (ports and transportation logistics) (included in ATCO Investments);
- Retail Energy (electricity and natural gas retail sales, and home maintenance solutions) (included in ATCO Investments); and
- Canadian Utilities Limited, including:
    - ATCO Energy Systems (electricity and natural gas transmission and distribution, and international electricity operations);
    - ATCO EnPower (energy storage, electricity generation, industrial water solutions, and cleaner fuels);
    - ATCO Australia (natural gas distribution and electricity generation operations); and
    - Financing & Other (corporate financing, headquarters and support functions).

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

Principal operating subsidiaries are:

- Canadian Utilities Limited (52.4 per cent owned) and its subsidiaries; and
- ATCO Structures & Logistics Ltd. and its subsidiaries.

2. BASIS OF PRESENTATION

STATEMENT OF COMPLIANCE

The unaudited interim consolidated financial statements are prepared according to International Accounting Standard (IAS) 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IFRS Accounting Standards). They do not include all the disclosures required in annual consolidated financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2025, prepared according to IFRS Accounting Standards.

The unaudited interim consolidated financial statements are prepared following the same accounting policies used in the Company's most recent annual consolidated financial statements, except for the adoption of amended accounting standards as set out below and income taxes. In interim periods, income taxes are accrued using an estimate of the annualized effective tax rate applied to year-to-date earnings.

The Board of Directors (Board) authorized these unaudited interim consolidated financial statements for issue on November 5, 2026.

BASIS OF MEASUREMENT

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

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

USE OF JUDGMENTS AND ESTIMATES

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

ADOPTION OF AMENDED ACCOUNTING STANDARDS

Agreements referencing nature-dependent electricity

The Company has adopted the amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures,* that are effective January 1, 2026. The amendments improve the reporting of the financial effects of nature-dependent electricity agreements, often structured as power purchase agreements. The amendments clarify the application of the own-use requirements, permit hedge accounting when these agreements are used as hedging instruments, and introduce new disclosure requirements to assist users of financial statements in understanding the effects of these agreements. The adoption of the amendments did not have a significant impact on the Company's unaudited interim consolidated financial statements.

Settlement by electronic payments

The Company has adopted the amendments to IFRS 9, *Financial Instruments,* that are effective January 1, 2026. The amendments clarify the date of recognition and derecognition of financial assets and liabilities, with a new exception for financial liabilities settled using electronic forms of payment. The adoption of the amendments did not have a significant impact on the Company's unaudited interim consolidated financial statements.

IFRS ACCOUNTING STANDARDS NOT YET ADOPTED

Presentation and disclosure in financial statements

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18, *Presentation and Disclosure in Financial Statements,* which will replace IAS 1, *Presentation of Financial Statements*. IFRS 18 sets out the requirements for presentation and disclosures in financial statements with a focus on the income statement and reporting of management-defined performance measures (MPM). The new standard is effective for annual periods beginning on or after January 1, 2027 and requires retrospective application to comparative financial information.

Based on the assessment completed to date, the changes will primarily be related to the presentation and labelling of certain financial statement line items, the aggregation and disaggregation of information within the primary financial statements, and the introduction of the new required subtotals in the Consolidated Statements of Earnings. The primary impact on the Consolidated Statements of Cash Flows includes the use of operating profit as the starting point for the reconciliation of cash flows from operating activities and the reclassification of interest and dividends received from operating activities to investing activities. The Company has preliminarily identified adjusted earnings as an MPM.

To facilitate the transition to IFRS 18, the project team of the Company continues to evaluate the impact on financial reporting systems, accounting processes and disclosures in preparation for adoption on January 1, 2027.

Regulatory assets and regulatory liabilities

In May 2026, the IASB issued IFRS 20, *Regulatory Assets and Regulatory Liabilities*, which establishes requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities and related income and expense arising from rate-regulated activities. The new standard is effective for annual periods beginning on or after January 1, 2029, with earlier adoption permitted.

The Company is evaluating the impact of IFRS 20 on its consolidated financial statements. The adoption of the standard is expected to affect the accounting for the Company's rate-regulated activities in the ATCO Energy Systems and ATCO Australia segments.

3. SEGMENTED INFORMATION

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

2026 / 2025	Canadian Utilities Limited									
	Structures & Logistics	ATCO Investments	ATCO Energy Systems [1]	ATCO EnPower	ATCO Australia	Financing & Other	CU Elims	Total	ATCO Elims	ATCO Total
Revenues - external	**384**	**57**	**747**	**66**	**81**	**–**	**–**	**894**	**–**	**1,335**
	338	59	663	56	68	–	–	787	–	1,184
Revenues - intersegment	**–**	**6**	**–**	**4**	**–**	**9**	**(5)**	**8**	**(14)**	**–**
	(1)	9	–	3	–	6	(4)	5	(13)	–
Revenues	**384**	**63**	**747**	**70**	**81**	**9**	**(5)**	**902**	**(14)**	**1,335**
	337	68	663	59	68	6	(4)	792	(13)	1,184
Operating expenses [2]	**(301)**	**(46)**	**(400)**	**(34)**	**(41)**	**(13)**	**5**	**(483)**	**14**	**(816)**
	(262)	(55)	(332)	(18)	(23)	(14)	4	(383)	13	(687)
Depreciation, amortization and impairments	**(28)**	**(11)**	**(164)**	**(15)**	**(15)**	**(2)**	**–**	**(196)**	**–**	**(235)**
	(25)	(5)	(154)	(13)	(14)	(2)	–	(183)	–	(213)
Earnings from investment in associate company	**–**	**5**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5**
	–	8	–	–	–	–	–	–	–	8
Earnings from investment in joint ventures	**1**	**–**	**14**	**1**	**2**	**–**	**–**	**17**	**–**	**18**
	–	–	16	2	1	–	–	19	–	19
Net finance costs	**(4)**	**(3)**	**(96)**	**(7)**	**(9)**	**(12)**	**–**	**(124)**	**–**	**(131)**
	(5)	(5)	(92)	(7)	(8)	(6)	–	(113)	–	(123)
Earnings (loss) before income taxes	**52**	**8**	**101**	**15**	**18**	**(18)**	**–**	**116**	**–**	**176**
	45	11	101	23	24	(16)	–	132	–	188
Income tax (expense) recovery	**(13)**	**(2)**	**(15)**	**(4)**	**(5)**	**5**	**–**	**(19)**	**–**	**(34)**
	(12)	(1)	(20)	(6)	(7)	3	–	(30)	–	(43)
Earnings (loss) for the period	**39**	**6**	**86**	**11**	**13**	**(13)**	**–**	**97**	**–**	**142**
	33	10	81	17	17	(13)	–	102	–	145
Adjusted earnings (loss)	**40**	**12**	**54**	**8**	**15**	**(17)**	**–**	**60**	**–**	**112**
	32	13	53	9	14	(18)	–	58	–	103
Capital expenditures [3]	**59**	**13**	**594**	**33**	**26**	**–**	**–**	**653**	**–**	**725**
	57	8	358	17	25	2	–	402	–	467

Elims - Intersegment Eliminations

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

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

(3) Includes additions to property, plant and equipment, intangibles and $9 million of interest capitalized during construction for the three months ended September 30, 2026 (2025 - $10 million).

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

2026			Canadian Utilities Limited							
2025	Structures & Logistics	ATCO Investments	ATCO Energy Systems [1]	ATCO EnPower	ATCO Australia	Financing & Other	CU Elims	Total	ATCO Elims	ATCO Total
Revenues - external	**1,055**	**177**	**2,427**	**203**	**218**	**–**	**–**	**2,848**	**–**	**4,080**
	902	184	2,297	183	185	2	–	2,667	–	3,753
Revenues - intersegment	**3**	**19**	**–**	**42**	**–**	**23**	**(13)**	**52**	**(74)**	**–**
	(1)	21	–	45	–	19	(12)	52	(72)	–
Revenues	**1,058**	**196**	**2,427**	**245**	**218**	**23**	**(13)**	**2,900**	**(74)**	**4,080**
	901	205	2,297	228	185	21	(12)	2,719	(72)	3,753
Operating expenses [2]	**(831)**	**(161)**	**(1,170)**	**(135)**	**(101)**	**(37)**	**13**	**(1,430)**	**74**	**(2,348)**
	(691)	(209)	(1,095)	(123)	(78)	(34)	12	(1,318)	72	(2,146)
Depreciation, amortization and impairments	**(80)**	**(21)**	**(487)**	**(40)**	**(45)**	**(7)**	**–**	**(579)**	**–**	**(680)**
	(73)	(14)	(456)	(39)	(44)	(7)	–	(546)	–	(633)
Earnings from investment in associate company	**–**	**18**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**18**
	–	23	–	–	–	–	–	–	–	23
Earnings from investment in joint ventures	**3**	**–**	**47**	**5**	**5**	**–**	**–**	**57**	**–**	**60**
	–	–	47	8	4	–	–	59	–	59
Net finance costs	**(13)**	**(10)**	**(284)**	**(23)**	**(27)**	**(33)**	**–**	**(367)**	**–**	**(390)**
	(13)	(12)	(276)	(24)	(23)	(11)	–	(334)	–	(359)
Earnings (loss) before income taxes	**137**	**22**	**533**	**52**	**50**	**(54)**	**–**	**581**	**–**	**740**
	124	(7)	517	50	44	(31)	–	580	–	697
Income tax (expense) recovery	**(35)**	**(3)**	**(110)**	**(13)**	**(13)**	**10**	**–**	**(126)**	**–**	**(164)**
	(33)	6	(103)	(13)	(12)	3	–	(125)	–	(152)
Earnings (loss) for the period	**102**	**19**	**423**	**39**	**37**	**(44)**	**–**	**455**	**–**	**576**
	91	(1)	414	37	32	(28)	–	455	–	545
Adjusted earnings (loss)	**103**	**27**	**247**	**22**	**44**	**(52)**	**–**	**261**	**–**	**391**
	91	30	235	21	32	(45)	–	243	–	364
Total assets [3]	**1,799**	**2,006**	**21,021**	**1,831**	**1,786**	**535**	**(252)**	**24,921**	**(346)**	**28,380**
	1,628	1,874	20,179	1,841	1,601	1,172	(257)	24,536	(370)	27,668
Capital expenditures [4]	**172**	**48**	**1,270**	**63**	**75**	**1**	**–**	**1,409**	**–**	**1,629**
	160	22	1,041	62	70	12	–	1,185	–	1,367

Elims - Intersegment Eliminations

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

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

(3) 2025 comparatives are at December 31, 2025.

(4) Includes additions to property, plant and equipment, intangibles and $29 million of interest capitalized during construction for the nine months ended September 30, 2026 (2025 - $23 million).

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

2026	ATCO Energy Systems			
2025	Electricity	Natural Gas	AES Elims	Total
Revenues - external	**362**	**385**	**–**	**747**
	358	305	–	663
Revenues - intersegment	**6**	**1**	**(7)**	**–**
	3	1	(4)	–
Revenues	**368**	**386**	**(7)**	**747**
	361	306	(4)	663
Operating expenses [1]	**(158)**	**(249)**	**7**	**(400)**
	(127)	(209)	4	(332)
Depreciation and amortization	**(92)**	**(72)**	**–**	**(164)**
	(86)	(68)	–	(154)
Earnings from investment in joint ventures	**14**	**–**	**–**	**14**
	16	–	–	16
Net finance costs	**(58)**	**(38)**	**–**	**(96)**
	(56)	(36)	–	(92)
Earnings (loss) before income taxes	**74**	**27**	**–**	**101**
	108	(7)	–	101
Income tax (expense) recovery	**(12)**	**(3)**	**–**	**(15)**
	(22)	2	–	(20)
Earnings (loss) for the period	**62**	**24**	**–**	**86**
	86	(5)	–	81
Adjusted earnings	**52**	**2**	**–**	**54**
	52	1	–	53
Capital expenditures [2]	**182**	**412**	**–**	**594**
	170	188	–	358

Elims - Intersegment Eliminations

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

(2) Includes additions to property, plant and equipment, intangibles and $9 million of interest capitalized during construction for the three months ended September 30, 2026 (2025 - $8 million).

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

2026	ATCO Energy Systems			
2025	Electricity	Natural Gas	AES Elims	Total
Revenues - external	**1,098**	**1,329**	**–**	**2,427**
	1,081	1,216	–	2,297
Revenues - intersegment	**17**	**4**	**(21)**	**–**
	6	2	(8)	–
Revenues	**1,115**	**1,333**	**(21)**	**2,427**
	1,087	1,218	(8)	2,297
Operating expenses [1]	**(442)**	**(749)**	**21**	**(1,170)**
	(395)	(708)	8	(1,095)
Depreciation and amortization	**(274)**	**(213)**	**–**	**(487)**
	(256)	(200)	–	(456)
Earnings from investment in joint ventures	**47**	**–**	**–**	**47**
	47	–	–	47
Net finance costs	**(172)**	**(112)**	**–**	**(284)**
	(170)	(106)	–	(276)
Earnings before income taxes	**274**	**259**	**–**	**533**
	313	204	–	517
Income tax expense	**(52)**	**(58)**	**–**	**(110)**
	(57)	(46)	–	(103)
Earnings for the period	**222**	**201**	**–**	**423**
	256	158	–	414
Adjusted earnings	**159**	**88**	**–**	**247**
	155	80	–	235
Total assets [2]	**12,036**	**8,986**	**(1)**	**21,021**
	11,753	8,428	(2)	20,179
Capital expenditures [3]	**479**	**791**	**–**	**1,270**
	507	534	–	1,041

Elims - Intersegment Eliminations

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

(2) 2025 comparatives are at December 31, 2025.

(3) Includes additions to property, plant and equipment, intangibles and $27 million of interest capitalized during construction for the nine months ended September 30, 2026 (2025 - $21 million).

ADJUSTED EARNINGS

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

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

Adjusted earnings are a key measure of segment earnings used by the Chief Executive Officer and other members of the Executive Committee (the "Senior Management Team") to assess segment performance and allocate resources. Other accounts in the unaudited interim consolidated financial statements have not been adjusted as they are not used by the Senior Management Team for those purposes.

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

2026			Canadian Utilities Limited					
2025	Structures & Logistics	ATCO Investments	ATCO Energy Systems	ATCO EnPower	ATCO Australia	Financing & Other	Total	ATCO Total
Adjusted earnings (loss)	**40**	**12**	**54**	**8**	**15**	**(17)**	**60**	**112**
	32	13	53	9	14	(18)	58	103
PBR2 re-opener appeal decision	**–**	**–**	**(30)**	**–**	**–**	**–**	**(30)**	**(30)**
	–	–	–	–	–	–	–	–
Other post-employment benefits	**(1)**	**–**	**(13)**	**(2)**	**–**	**(2)**	**(17)**	**(18)**
	–	–	–	–	–	–	–	–
Impairments	**–**	**(9)**	**–**	**–**	**–**	**–**	**–**	**(9)**
	–	–	–	–	–	–	–	–
Unrealized gains (losses) on mark-to-market forward and swap commodity contracts	**–**	**3**	**–**	**–**	**–**	**–**	**–**	**3**
	–	(1)	–	–	–	–	–	(1)
Rate-regulated activities	**–**	**–**	**34**	**–**	**(8)**	**–**	**26**	**26**
	–	–	(8)	–	(5)	–	(13)	(13)
IT Common Matters decision	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	(1)	–	–	–	(1)	(1)
Transition of managed IT services	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	(1)	–	–	–	(1)	(1)
Other	**–**	**–**	**–**	**(1)**	**–**	**–**	**(1)**	**(1)**
	–	(2)	–	–	–	–	–	(2)
Earnings (loss) attributable to Class I and Class II Shares	**39**	**6**	**45**	**5**	**7**	**(19)**	**38**	**83**
	32	10	43	9	9	(18)	43	85
Earnings attributable to non-controlling interests								**59**
								60
Earnings for the period								**142**
								145

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

2026			Canadian Utilities Limited					
2025	Structures & Logistics	ATCO Investments	ATCO Energy Systems	ATCO EnPower	ATCO Australia	Financing & Other	Total	ATCO Total
Adjusted earnings (loss)	**103**	**27**	**247**	**22**	**44**	**(52)**	**261**	**391**
	91	30	235	21	32	(45)	243	364
PBR2 re-opener appeal decision	**–**	**–**	**(30)**	**–**	**–**	**–**	**(30)**	**(30)**
	–	–	–	–	–	–	–	–
Other post-employment benefits	**(1)**	**–**	**(13)**	**(2)**	**–**	**(2)**	**(17)**	**(18)**
	–	–	–	–	–	–	–	–
Impairments	**–**	**(9)**	**–**	**–**	**–**	**–**	**–**	**(9)**
	–	–	–	–	–	–	–	–
Unrealized gains (losses) on mark-to-market forward and swap commodity contracts	**–**	**1**	**–**	**–**	**–**	**–**	**–**	**1**
	–	(27)	–	–	–	–	–	(27)
Rate-regulated activities	**–**	**–**	**15**	**–**	**(24)**	**–**	**(9)**	**(9)**
	–	–	(7)	–	(15)	–	(22)	(22)
IT Common Matters decision	**–**	**–**	**(2)**	**–**	**–**	**–**	**(2)**	**(2)**
	–	–	(2)	–	–	–	(2)	(2)
Transition of managed IT services	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	(1)	(1)	(6)	(1)	–	–	(7)	(9)
Restructuring	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	(1)	(5)	(1)	(1)	–	(7)	(8)
Other	**–**	**–**	**–**	**(1)**	**–**	**–**	**(1)**	**(1)**
	–	(2)	–	(1)	–	–	(1)	(3)
Earnings (loss) attributable to Class I and Class II Shares	**102**	**19**	**217**	**19**	**20**	**(54)**	**202**	**323**
	90	(1)	215	18	16	(45)	204	293
Earnings attributable to non-controlling interests								**253**
								252
Earnings for the period								**576**
								545

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

2026	ATCO Energy Systems		
2025	Electricity	Natural Gas	Total
Adjusted earnings	**52**	**2**	**54**
	52	1	53
PBR2 re-opener appeal decision	**(15)**	**(15)**	**(30)**
	–	–	–
Other post-employment benefits	**(5)**	**(8)**	**(13)**
	–	–	–
Rate-regulated activities	**–**	**34**	**34**
	(6)	(2)	(8)
IT Common Matters decision	**–**	**–**	**–**
	(1)	–	(1)
Transition of managed IT services	**–**	**–**	**–**
	–	(1)	(1)
Earnings (loss) attributable to Class I and Class II Shares	**32**	**13**	**45**
	45	(2)	43

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

2026	ATCO Energy Systems		
2025	Electricity	Natural Gas	Total
Adjusted earnings	**159**	**88**	**247**
	155	80	235
PBR2 re-opener appeal decision	**(15)**	**(15)**	**(30)**
	–	–	–
Other post-employment benefits	**(5)**	**(8)**	**(13)**
	–	–	–
Rate-regulated activities	**(25)**	**40**	**15**
	(16)	9	(7)
IT Common Matters decision	**(1)**	**(1)**	**(2)**
	(2)	–	(2)
Transition of managed IT services	**–**	**–**	**–**
	(2)	(4)	(6)
Restructuring	**–**	**–**	**–**
	(3)	(2)	(5)
Earnings attributable to Class I and Class II Shares	**113**	**104**	**217**
	132	83	215

Second generation performance based regulation (PBR2) re-opener appeal decision

In May 2025, the Alberta Utilities Commission (AUC) issued its PBR2 re-opener decision, directing ATCO Electric Distribution and ATCO Gas Distribution to refund $35 million and $36 million, respectively, to customers over the six-month period from September 1, 2025 to February 28, 2026. The Company appealed the decision to the Alberta Court of Appeal (ABCA) and refunded the amounts as directed by the AUC while the appeal was pending. These refunds to customers were reflected as adjustments in rate-regulated activities, as they were recognized as reductions of revenue under IFRS Accounting Standards.

In September 2026, the ABCA upheld the AUC's PBR2 re-opener decision, resulting in a reduction of adjusted earnings to reverse the impact of the rate-regulated adjustment related to refunds to customers (see rate-regulated activities section below). However, as the financial impacts of $15 million (after-tax and non-controlling interests (NCI)) for ATCO Electric Distribution and $15 million (after-tax and NCI) for ATCO Gas Distribution arose from this one-time PBR2 re-opener ABCA

decision, these amounts are not indicative of day-to-day operations and as such, have been excluded from adjusted earnings for the three and nine months ended September 30, 2026.

Other post-employment benefits

The Government of Alberta's *Health Statutes Amendment Act, 2025 (No. 2)* (Bill 11) changes the coordination of benefits between employer-sponsored health plans and certain provincial health programs. As a result, the Company recognized a $41 million ($18 million after-tax and NCI) past service cost adjustment related to its other post-employment benefits obligation for the three and nine months ended September 30, 2026. As the impact arises from a one-time legislative change, the amount has been excluded from adjusted earnings.

Impairments

In September 2026, ATCO Investments exited its packaged food services and geospatial data services businesses as part of a change in strategic direction. As a result, the Company recognized a $9 million (after-tax) charge for the three and nine months ended September 30, 2026, related to assets that no longer have any economic value and related exit costs. As these costs were not in the normal course of business, they have been excluded from adjusted earnings.

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

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

The Senior Management Team believes that removal of the unrealized gains and losses on mark-to-market forward and swap commodity contracts from the determination of adjusted earnings provides a better representation of operating results for the Company's operations.

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

Rate-regulated activities

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

IFRS 20, *Regulatory Assets and Regulatory Liabilities* (IFRS 20), was issued in May 2026 and is effective for annual periods beginning on or after January 1, 2029. The Company is in the process of evaluating IFRS 20 and given that the Company has not yet adopted this accounting standard, the Regulated Utilities continue to be unable to recognize regulatory assets and regulatory liabilities from rate-regulated activities as may be directed by regulatory decisions. Instead, for IFRS purposes, the Regulated Utilities recognize revenues in earnings when amounts are billed to customers, consistent with the regulator-approved rate design. Operating costs and expenses are recorded when incurred. Costs incurred in constructing an asset that meet the asset recognition criteria are included in the related property, plant and equipment or intangible asset.

Until the Company adopts IFRS 20, the Company considers standards issued by the Financial Accounting Standards Board in the United States as another source of generally accepted accounting principles taking into account a more likely than not recognition threshold in accounting for rate-regulated activities in its internal reporting provided to the Senior Management Team, which believes that earnings presented in this manner are a better representation of the operating results of the Company's rate-regulated activities. Therefore, the Company presents adjusted earnings as part of its segmented disclosures on this basis. Rate-regulated accounting (RRA) standards impact the timing of how certain revenues and expenses are recognized when compared to non-rate-regulated activities, to appropriately reflect the economic impact of a regulator's decisions on revenues.

Rate-regulated accounting differs from IFRS Accounting Standards (pre-adoption of IFRS 20) in the following ways:

	Timing Adjustment	Items	RRA Treatment	IFRS Accounting Standards Treatment (Pre-adoption of IFRS 20)
1.	Additional revenues billed in current period	Future removal and site restoration costs, and impact of colder temperatures.	The Company defers the recognition of cash received in advance of future expenditures.	The Company recognizes revenues when amounts are billed to customers and costs when they are incurred.
2.	Revenues to be billed in future periods	Deferred income taxes, impact of warmer temperatures, and impact of inflation on rate base.	The Company recognizes revenues associated with recoverable costs in advance of future billings to customers.	The Company recognizes costs when they are incurred, but does not recognize their recovery until customer rates are changed and amounts are collected through future billings.
3.	Regulatory decisions received	Regulatory decisions received which relate to current and prior periods.	The Company recognizes the earnings impact from a regulatory decision pertaining to current and prior periods when the decision is received.	The Company does not recognize the earnings impact from a regulatory decision when it is received as regulatory assets and liabilities are not recorded under IFRS Accounting Standards.
4.	Settlement of regulatory decisions and other items	Settlement of amounts receivable or payable to customers and other items.	The Company recognizes the amount receivable or payable to customers as a reduction in its regulatory assets and liabilities when collected or refunded through future billings.	The Company recognizes the earnings impact when customer rates are changed and amounts are recovered or refunded to customers through future billings.

The significant timing adjustments as a result of the differences between rate-regulated accounting and IFRS Accounting Standards (pre-adoption of IFRS 20) are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	2026	2025
Additional revenues billed in current period				
Future removal and site restoration costs [1]	**11**	19	**51**	53
Revenues to be billed in future periods				
Deferred income taxes [2]	**(20)**	(19)	**(68)**	(55)
Impact of warmer temperatures [3]	**(1)**	(3)	**(5)**	(7)
Impact of inflation on rate base [4]	**(6)**	(3)	**(18)**	(9)
Settlement of regulatory decisions and other items				
PBR2 re-opener proceeding refund to customers [5]	**–**	(4)	**(11)**	(4)
PBR2 re-opener appeal decision [6]	**30**	–	**30**	–
Other [7]	**12**	(3)	**12**	–
	26	(13)	**(9)**	(22)

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

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

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

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

(5) In connection with the PBR2 re-opener decision rendered by the AUC on May 28, 2025, ATCO Electric Distribution and ATCO Gas Distribution refunded $5 million (after-tax and NCI) and $6 million (after-tax and NCI), respectively, to customers for the nine months ended September 30, 2026 (2025 - $2 million (after-tax and NCI) and $2 million (after-tax and NCI)). Combined with the amounts refunded to customers for the year ended December 31, 2025, ATCO Electric Distribution and ATCO Gas Distribution have now refunded the total amount that was directed by the AUC in the PBR2 re-opener decision, which

was $15 million (after-tax and NCI) ($35 million before tax and NCI) for ATCO Electric Distribution and $15 million (after-tax and NCI) ($36 million before tax and NCI) for ATCO Gas Distribution.

(6) Following the September 3, 2026 ABCA decision upholding the AUC's PBR2 re-opener decision, the $71 million ($30 million after-tax and NCI) previously refunded to customers is no longer considered recoverable, resulting in a $30 million (after-tax and NCI) reduction in adjusted earnings.

(7) The three and nine months ended September 30, 2026 include an increase in earnings for the period of $8 million (after-tax and NCI) related to the Yellowhead Pipeline deferral, reflecting a future refund to customers. The Yellowhead Pipeline deferral is intended to capture the difference between the actual project spend and the estimated project spend reflected in revenues approved to be recovered from customers.

IT Common Matters decision

Consistent with the treatment of the gain on sale in 2014 from the IT services business by the Company, financial impacts associated with the IT Common Matters decision are excluded from adjusted earnings. The amount excluded from adjusted earnings for the three and nine months ended September 30, 2026 was nil and $2 million (after-tax and NCI) (2025 - $1 million and $2 million (after-tax and NCI)).

Transition of managed IT services

For the three and nine months ended September 30, 2025, the Company recognized IT transition costs of $1 million (after-tax and NCI) and $9 million (after-tax and NCI). The transition costs were primarily related to activities to shift from a single-vendor service provider to a hybrid model of multiple new vendors and internal teams. The transition activities commenced on January 1, 2025 and were substantially complete at December 31, 2025. As these costs were not in the normal course of business, they were excluded from adjusted earnings.

Restructuring

For the three and nine months ended September 30, 2025, the Company recorded restructuring costs of nil and $8 million (after-tax and NCI) that were mainly related to staff reductions and associated severance costs. As these costs were not in the normal course of business, they were excluded from adjusted earnings.

4. REVENUES

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

2026			ATCO Energy Systems						
2025	Structures & Logistics	ATCO Investments [1]	Electricity [2]	Natural Gas [2]	Total	ATCO EnPower	ATCO Australia [3]	CU Financing & Other	Total
Revenue Streams									
Rendering of Services									
Distribution services	**–**	**–**	**155**	**191**	**346**	**–**	**71**	**–**	**417**
	–	–	149	164	313	–	59	–	372
Transmission services	**–**	**–**	**167**	**135**	**302**	**–**	**–**	**–**	**302**
	–	–	167	92	259	–	–	–	259
Modular structures - services	**83**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**83**
	107	–	–	–	–	–	–	–	107
Logistics and facility operations and maintenance services	**50**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**50**
	29	–	–	–	–	–	–	–	29
Lodging and support	**21**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**21**
	33	–	–	–	–	–	–	–	33
Customer contributions	**–**	**–**	**10**	**6**	**16**	**–**	**–**	**–**	**16**
	–	–	10	5	15	–	1	–	16
Franchise fees	**–**	**–**	**11**	**48**	**59**	**–**	**–**	**–**	**59**
	–	–	11	41	52	–	–	–	52
Retail electricity and natural gas services	**–**	**37**	**–**	**–**	**–**	**–**	**–**	**–**	**37**
	–	44	–	–	–	–	–	–	44
Storage and industrial water	**–**	**–**	**–**	**–**	**–**	**32**	**–**	**–**	**32**
	–	–	–	–	–	28	–	–	28
Total rendering of services	**154**	**37**	**343**	**380**	**723**	**32**	**71**	**–**	**1,017**
	169	44	337	302	639	28	60	–	940
Sale of Goods									
Electricity generation and delivery	**–**	**–**	**–**	**–**	**–**	**20**	**2**	**–**	**22**
	–	–	–	–	–	26	1	–	27
Commodity sales	**–**	**12**	**–**	**–**	**–**	**6**	**–**	**–**	**18**
	–	12	–	–	–	–	–	–	12
Modular structures - goods	**158**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**158**
	110	–	–	–	–	–	–	–	110
Total sale of goods	**158**	**12**	**–**	**–**	**–**	**26**	**2**	**–**	**198**
	110	12	–	–	–	26	1	–	149
Lease income									
Finance lease	**–**	**–**	**2**	**–**	**2**	**1**	**2**	**–**	**5**
	–	–	2	–	2	–	2	–	4
Operating lease	**69**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**69**
	54	–	–	–	–	–	–	–	54
Total lease income	**69**	**–**	**2**	**–**	**2**	**1**	**2**	**–**	**74**
	54	–	2	–	2	–	2	–	58
Other [4]	**3**	**8**	**17**	**5**	**22**	**7**	**6**	**–**	**46**
	5	3	19	3	22	2	5	–	37
Total	**384**	**57**	**362**	**385**	**747**	**66**	**81**	**–**	**1,335**
	338	59	358	305	663	56	68	–	1,184

(1) For the three months ended September 30, 2026, ATCO Investments segment includes $27 million of unbilled revenue from retail electricity and natural gas energy services (2025 - $19 million).

(2) For the three months ended September 30, 2026, Electricity and Natural Gas segments include $104 million of unbilled revenue (2025 - $87 million).

(3) For the three months ended September 30, 2026, ATCO Australia segment includes $31 million of unbilled revenue (2025 - $29 million).

(4) Other revenues of $46 million (2025 - $37 million) include third party revenues generated from electricity and natural gas infrastructure installation services, management fees from joint ventures, facility charge agreements and maintenance services rendered to certain customers.

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

2026 / 2025	Structures & Logistics	ATCO Investments [1]	ATCO Energy Systems			ATCO EnPower	ATCO Australia [3]	CU Financing & Other	Total
			Electricity [2]	Natural Gas [2]	Total				
Revenue Streams									
Rendering of Services									
Distribution services	**–**	**–**	**477**	**762**	**1,239**	**–**	**192**	**–**	**1,431**
	–	–	462	720	1,182	–	157	–	1,339
Transmission services	**–**	**–**	**501**	**322**	**823**	**–**	**–**	**–**	**823**
	–	–	501	275	776	–	–	–	776
Modular structures - services	**251**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**251**
	268	–	–	–	–	–	–	–	268
Logistics and facility operations and maintenance services	**92**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**92**
	79	–	–	–	–	–	–	–	79
Lodging and support	**75**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**75**
	87	–	–	–	–	–	–	–	87
Customer contributions	**–**	**–**	**29**	**18**	**47**	**–**	**1**	**–**	**48**
	–	–	27	17	44	–	2	–	46
Franchise fees	**–**	**–**	**32**	**211**	**243**	**–**	**–**	**–**	**243**
	–	–	31	196	227	–	–	–	227
Retail electricity and natural gas services	**–**	**129**	**–**	**–**	**–**	**–**	**–**	**–**	**129**
	–	136	–	–	–	–	–	–	136
Storage and industrial water	**–**	**–**	**–**	**–**	**–**	**90**	**–**	**–**	**90**
	–	–	–	–	–	84	–	–	84
Total rendering of services	**418**	**129**	**1,039**	**1,313**	**2,352**	**90**	**193**	**–**	**3,182**
	434	136	1,021	1,208	2,229	84	159	–	3,042
Sale of Goods									
Electricity generation and delivery	**–**	**–**	**–**	**–**	**–**	**61**	**6**	**–**	**67**
	–	–	–	–	–	63	5	–	68
Commodity sales	**–**	**27**	**–**	**–**	**–**	**28**	**–**	**–**	**55**
	–	28	–	–	–	19	–	–	47
Modular structures - goods	**442**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**442**
	301	–	–	–	–	–	–	–	301
Total sale of goods	**442**	**27**	**–**	**–**	**–**	**89**	**6**	**–**	**564**
	301	28	–	–	–	82	5	–	416
Lease income									
Finance lease	**–**	**–**	**4**	**–**	**4**	**1**	**5**	**–**	**10**
	–	–	4	–	4	–	5	–	9
Operating lease	**187**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**187**
	158	–	–	–	–	–	–	–	158
Total lease income	**187**	**–**	**4**	**–**	**4**	**1**	**5**	**–**	**197**
	158	–	4	–	4	–	5	–	167
Other [4]	**8**	**21**	**55**	**16**	**71**	**23**	**14**	**–**	**137**
	9	20	56	8	64	17	16	2	128
Total	**1,055**	**177**	**1,098**	**1,329**	**2,427**	**203**	**218**	**–**	**4,080**
	902	184	1,081	1,216	2,297	183	185	2	3,753

(1) For the nine months ended September 30, 2026, ATCO Investments segment includes $27 million of unbilled revenue from retail electricity and natural gas energy services (2025 - $19 million). At September 30, 2026, $27 million of the unbilled revenue is included in accounts receivable and contract assets (2025 - $19 million).

(2) For the nine months ended September 30, 2026, Electricity and Natural Gas segments include $104 million of unbilled revenue (2025 - $87 million). At September 30, 2026, $104 million of the unbilled revenue is included in accounts receivable and contract assets (2025 - $87 million).

(3) For the nine months ended September 30, 2026, ATCO Australia segment includes $31 million of unbilled revenue (2025 - $29 million). At September 30, 2026, $31 million of the unbilled revenue is included in accounts receivable and contract assets (2025 - $29 million).

(4) Other revenues of $137 million (2025 - $128 million) include third party revenues generated from electricity and natural gas infrastructure installation services, management fees from joint ventures, facility charge agreements and maintenance services rendered to certain customers.

5. EARNINGS PER SHARE

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

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	2026	2025
Average shares				
Weighted average shares outstanding	**112,528,403**	112,354,296	**112,490,589**	112,337,899
Effect of dilutive stock options	**1,160,585**	459,000	**1,010,552**	327,603
Weighted average dilutive shares outstanding	**113,688,988**	112,813,296	**113,501,141**	112,665,502
Earnings for earnings per share calculation				
Earnings for the period	**142**	145	**576**	545
Non-controlling interests	**(59)**	(60)	**(253)**	(252)
Earnings attributable to Class I and Class II Shares	**83**	85	**323**	293
Earnings and diluted earnings per Class I and Class II Share				
Earnings per Class I and Class II Share	**$0.74**	$0.76	**$2.87**	$2.61
Diluted earnings per Class I and Class II Share	**$0.73**	$0.75	**$2.85**	$2.60

6. PROPERTY, PLANT AND EQUIPMENT

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

	Utility Transmission & Distribution	Energy Generation & Storage	Land and Buildings	Construction Work-in-Progress	Rental Assets	Other	Total
Cost							
December 31, 2025	25,351	1,622	1,149	1,059	1,138	1,033	31,352
Additions	**54**	**2**	**2**	**1,223**	**149**	**19**	**1,449**
Transfers	**871**	**25**	**51**	**(981)**	**9**	**25**	**–**
Retirements and disposals	**(64)**	**–**	**(8)**	**–**	**(74)**	**(27)**	**(173)**
Foreign exchange rate adjustment	**151**	**6**	**7**	**5**	**35**	**8**	**212**
Changes to asset retirement costs	**–**	**(4)**	**–**	**–**	**–**	**–**	**(4)**
September 30, 2026	**26,363**	**1,651**	**1,201**	**1,306**	**1,257**	**1,058**	**32,836**
Accumulated depreciation and impairments							
December 31, 2025	7,198	557	301	–	327	549	8,932
Depreciation and impairments	**455**	**35**	**19**	**–**	**51**	**48**	**608**
Retirements and disposals	**(64)**	**–**	**(3)**	**–**	**(37)**	**(26)**	**(130)**
Foreign exchange rate adjustment	**44**	**2**	**2**	**–**	**7**	**9**	**64**
September 30, 2026	**7,633**	**594**	**319**	**–**	**348**	**580**	**9,474**
Net book value							
December 31, 2025	18,153	1,065	848	1,059	811	484	22,420
September 30, 2026	**18,730**	**1,057**	**882**	**1,306**	**909**	**478**	**23,362**

The additions to property, plant and equipment included $20 million of interest capitalized during construction for the nine months ended September 30, 2026 (2025 - $18 million).

7. LONG-TERM DEBT

ATCO Ltd.

In May 2025, ATCO Ltd. issued $250 million of 3.878 per cent senior unsecured notes maturing on May 27, 2030. The proceeds from the issuance were used to repay outstanding indebtedness under its unsecured extendible revolving credit facilities.

Canadian Utilities Limited

Unsecured extendible revolving credit facility repayment:

In January 2026, Canadian Utilities Limited repaid $150 million of long-term debt under its unsecured extendible revolving credit facility.

Debenture issuance:

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

Subordinated unsecured fixed-to-fixed rate notes:

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

CU Inc.

Debenture issuance:

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

Unsecured extendible revolving credit facility issuance and repayment:

In September 2026, CU Inc. borrowed $135 million from its unsecured extendible revolving credit facility. In June 2025 and in September 2025, CU Inc. borrowed $240 million and $35 million, respectively, from its unsecured extendible revolving credit facility.

In January 2026, CU Inc. repaid $125 million under its unsecured extendible revolving credit facility. In July 2025, CU Inc. repaid $240 million under its unsecured extendible revolving credit facility.

Non-revolving unsecured amortizing credit facility debt issuance:

In September 2026, CU Inc. borrowed $52 million from its $155 million non-revolving unsecured amortizing credit facility to support the construction of the Central East Transfer-Out Project within the Electricity Transmission business (CETO Project Debt).

The CETO Project Debt was issued at a below-market rate of interest and the difference between the market rate for an equivalent loan and the rate granted, amounting to $19 million, is accounted for as a capital government grant. Proceeds from capital government grants are recorded in other investing activities in the consolidated statements of cash flows and in other long-term liabilities in the consolidated balance sheets.

Subsidiaries

On June 23, 2026, ATCO Gas Australia Pty Ltd, an indirect wholly owned subsidiary of Canadian Utilities Limited, refinanced its unsecured revolving credit facilities (Tranche A and Tranche B) at BBSY (Bank Bill Swap Bid Rate) plus an applicable margin.

The Tranche A facility was refinanced with a principal amount of $400 million Australian dollars (equivalent of $392 million Canadian dollars), extending its maturity from June 27, 2027, to June 23, 2029. The available amount under the facility also increased by $15 million Australian dollars (equivalent of $15 million Canadian dollars) to $415 million Australian dollars (equivalent of $407 million Canadian dollars).

The Tranche B facility was refinanced with a principal amount of $375 million Australian dollars (equivalent of $368 million Canadian dollars), extending its maturity from August 4, 2026, to June 23, 2031. The available amount under the facility

increased by $40 million Australian dollars (equivalent of $39 million Canadian dollars) to $415 million Australian dollars (equivalent of $407 million Canadian dollars).

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

Project finance

At September 30, 2026 and December 31, 2025, Deerfoot Barlow Solar Limited Partnership ("DBSLP"), an indirect subsidiary of Canadian Utilities Limited, was not in compliance with the long-term debt covenant requiring a minimum projected debt service coverage ratio of 1.00 under its amortizing non-revolving credit facility (Deerfoot Barlow Solar Project Finance Debt). DBSLP obtained a waiver from the lender for each period of non-compliance. In addition, the lender agreed to defer a mandatory debt payment due on September 30, 2026 as DBSLP and the lender are actively engaged in a potential restructuring. The total balance of the loan subject to this waiver and deferred payment is $53 million at September 30, 2026 and December 31, 2025. The lender is not in a position to confirm a waiver of any events of default through September 30, 2027. As such, the loan has been classified as a current liability in the consolidated balance sheet at September 30, 2026.

Except for the Deerfoot Barlow Solar Project Finance Debt, the Company complied with externally imposed requirements on its capital, including financial covenants related to long-term debt, credit facilities and project financings, for the three and nine months ended September 30, 2026 and the year ended December 31, 2025, and otherwise expects to remain in compliance over the next year.

8. CLASS I AND CLASS II SHARES

ISSUED AND OUTSTANDING

At September 30, 2026, there were 100,991,417 (December 31, 2025 - 100,854,833) Class I shares and 11,542,320 (December 31, 2025 - 11,542,320) Class II shares outstanding. In addition, there were 2,854,591 options to purchase Class I shares outstanding at September 30, 2026, under the Company's stock option plan (December 31, 2025 - 2,992,675).

For the three and nine months ended September 30, 2026, 6,250 and 136,584 (2025 - 83,274 and 369,175) stock options were exercised, resulting in the issuance of an additional 6,250 and 136,584 (2025 - 83,274 and 369,175) Class I shares for proceeds of $1 million and $6 million (2025 - $3 million and $16 million).

DIVIDENDS

The Company declared and paid cash dividends of $0.5196 and $1.5588 per Class I and Class II share for the three and nine months ended September 30, 2026 (2025 - $0.5045 and $1.5135). The Company's policy is to pay dividends quarterly on its Class I and Class II shares. The payment and amount of any quarterly dividend is at the discretion of the Board and depends on the financial condition of the Company and other factors.

On October 8, 2026, the Company declared a fourth quarter dividend of $0.5196 per Class I and Class II share, payable on December 31, 2026 to share owners of record as of December 3, 2026.

NORMAL COURSE ISSUER BID

On March 13, 2026, the Company began a normal course issuer bid (NCIB) to purchase up to 2,017,264 outstanding Class I shares. The bid will expire on March 12, 2027 and is subject to certain restrictions under the arrangement agreement with Emera Incorporated (see note 11). The prior year NCIB to purchase up to 1,996,301 outstanding Class I shares began on March 13, 2025 and expired on March 12, 2026.

For the three and nine months ended September 30, 2026, no Class I shares were purchased (2025 - 513,500 Class I shares were purchased for $26 million resulting in a decrease to share capital of $1 million and a decrease to retained earnings of $25 million).

9. CASH FLOW INFORMATION

ADJUSTMENTS TO RECONCILE EARNINGS TO CASH FLOWS FROM OPERATING ACTIVITIES

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	**2025**	**2026**	**2025**
Depreciation, amortization and impairments	**235**	213	**680**	633
Earnings from investment in associate company	**(5)**	(8)	**(18)**	(23)
Dividends received from associate company	**–**	–	**17**	17
Earnings from investment in joint ventures	**(18)**	(19)	**(60)**	(59)
Dividends and distributions received from joint ventures	**19**	19	**61**	61
Income tax expense	**34**	43	**164**	152
Unrealized (gains) losses on derivative financial instruments	**(4)**	2	**(2)**	34
Contributions by customers for extensions to plant	**41**	29	**111**	97
Amortization of customer contributions	**(16)**	(16)	**(48)**	(46)
Net finance costs	**131**	123	**390**	359
Income taxes paid	**(2)**	(3)	**(28)**	(52)
Interest received	**16**	11	**49**	42
Other [1]	**63**	8	**134**	31
	494	402	**1,450**	1,246

(1) Includes a $41 million past service cost adjustment related to the Company's other post-employment benefit obligation for the three and nine months ended September 30, 2026.

CASH POSITION

Cash position at September 30 is comprised of:

	2026	**2025**
Cash	**516**	925
Short-term investments	**40**	1
Restricted cash [1]	**23**	17
Cash and cash equivalents	**579**	943
Bank indebtedness [2]	**(37)**	(41)
	542	902

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

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

10. FINANCIAL INSTRUMENTS

FAIR VALUE MEASUREMENT

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

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

FINANCIAL INSTRUMENTS MEASURED AT AMORTIZED COST

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

	September 30, 2026		December 31, 2025	
Recurring Measurements	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Finance lease receivables	**108**	**116**	113	128
Long-term advances due from joint venture [(1)]	**33**	**29**	33	31
Financial Liabilities				
Long-term debt	**12,948**	**11,761**	13,029	12,469

(1) Long-term advances due from joint venture of $33 million (December 31, 2025 - $33 million) are recorded in other assets in the consolidated balance sheets.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Marketable securities

At September 30, 2026 and December 31, 2025, the Company's marketable securities measured at fair value include investment grade corporate bonds and debentures, private fixed income funds, bank loans and commercial mortgage funds, and government bonds.

Derivative financial instruments

The Company's derivative financial instruments measured at fair value include the following:

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

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

	Level 2				Level 3		
	Subject to Hedge Accounting			Not Subject to Hedge Accounting	Subject to Hedge Accounting (1)	Not Subject to Hedge Accounting (2)	
Recurring Measurements	**Interest Rate Swaps**	**Foreign Currency Forward Contracts**	**Commodities (1)**		**Commodities (1)**		**Total Fair Value of Derivatives**
September 30, 2026							
Financial Assets							
Prepaid expenses and other current assets	**10**	**4**	**5**	**–**	**–**	**67**	**86**
Other assets	**21**	**–**	**13**	**–**	**43**	**22**	**99**
Financial Liabilities							
Provisions and other current liabilities	**1**	**–**	**55**	**–**	**–**	**–**	**56**
Other liabilities	**1**	**–**	**20**	**–**	**–**	**–**	**21**
December 31, 2025							
Financial Assets							
Prepaid expenses and other current assets	2	1	3	1	–	57	64
Other assets	14	–	2	–	45	30	91
Financial Liabilities							
Provisions and other current liabilities	1	1	39	1	–	–	42
Other liabilities	4	–	18	–	–	–	22

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

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

A reconciliation of the changes in the Company's derivative financial instruments classified as Level 3 for the nine months ended September 30, 2026 is as follows:

	Subject to Hedge Accounting	Not Subject to Hedge Accounting	Total
December 31, 2025	45	87	132
Settlement of derivative contracts	**(17)**	**(83)**	**(100)**
Gains recognized in earnings	**–**	**85**	**85**
Gains recognized in other comprehensive income	**15**	**–**	**15**
September 30, 2026	**43**	**89**	**132**

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

	2026			2025		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Realized gains (losses)						
Revenues	**1**	**3**	**4**	1	4	5
Fuel costs	**(1)**	**–**	**(1)**	1	–	1
Purchased power	**(12)**	**–**	**(12)**	(8)	–	(8)
Derivative financial instruments [1]	**–**	**23**	**23**	–	16	16
Interest expense	**2**	**–**	**2**	–	–	–
	(10)	**26**	**16**	(6)	20	14
Unrealized gains (losses)						
Derivative financial instruments [1]	**–**	**4**	**4**	–	(2)	(2)
Total	**(10)**	**30**	**20**	(6)	18	12

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

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

	2026			2025		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Realized gains (losses)						
Revenues	**2**	**11**	**13**	1	10	11
Fuel costs	**(16)**	**–**	**(16)**	(17)	–	(17)
Purchased power	**(39)**	**–**	**(39)**	(23)	–	(23)
Derivative financial instruments [1]	**(1)**	**89**	**88**	(1)	74	73
Interest expense	**4**	**–**	**4**	3	–	3
	(50)	**100**	**50**	(37)	84	47
Unrealized gains (losses)						
Derivative financial instruments [1]	**–**	**2**	**2**	–	(34)	(34)
Total	**(50)**	**102**	**52**	(37)	50	13

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

Notional value and maturity summary

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

	Subject to Hedge Accounting				Not Subject to Hedge Accounting	
Notional value and maturity	Interest Rate Swaps	Natural Gas [1]	Power [2]	Foreign Currency Forward Contracts	Natural Gas [1]	Power [2]
September 30, 2026						
Purchases [3]	**–**	**16,340,200**	**3,365,195**	**–**	**–**	**44,180**
Sales [3]	**–**	**2,600,912**	**6,480,369**	**–**	**19,649,846**	**2,240,062**
Currency						
Canadian dollars	**180**	**–**	**–**	**–**	**–**	**–**
Australian dollars	**767**	**–**	**–**	**–**	**–**	**–**
U.S. dollars	**–**	**–**	**–**	**108**	**–**	**–**
Maturity	**2026-2036**	**2026-2031**	**2026-2038**	**2026-2027**	**2026-2031**	**2026-2031**
December 31, 2025						
Purchases [3]	–	22,535,100	2,778,354	–	–	175,200
Sales [3]	–	741,093	6,813,553	–	21,639,991	2,499,840
Currency						
Canadian dollars	192	–	–	–	–	–
Australian dollars	771	–	–	–	–	–
U.S. dollars	–	–	–	174	–	–
Maturity	2026-2036	2026-2030	2026-2038	2026-2027	2026-2030	2026-2030

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

11. SUBSEQUENT EVENT

On October 6, 2026, ATCO Ltd. (ATCO), Canadian Utilities Limited (Canadian Utilities), Emera Incorporated (Emera) and 2856571 Alberta Ltd. (New ATCO) entered into an arrangement agreement (the Arrangement Agreement) providing for, among other things, the proposed merger of Emera and Canadian Utilities. The Arrangement Agreement requires Emera to acquire: (a) all of the issued and outstanding Class I non-voting shares of ATCO (the ATCO Class I Shares) and Class II voting shares of ATCO (the ATCO Class II Shares); and (b) all of the issued and outstanding Class A non-voting shares of Canadian Utilities (the Canadian Utilities Class A Shares) and Class B common shares of Canadian Utilities (the Canadian Utilities Class B Shares) not held by ATCO, pursuant to a court-approved arrangement (the Arrangement) under section 192 of the Canada Business Corporations Act.

In addition, pursuant to the Arrangement, ATCO will spin out its industrial services businesses focused on housing, defence and other investments, including ports and retail energy, subject to and in accordance with the terms of a separation agreement to be entered into by ATCO and New ATCO on the effective date of the Arrangement.

Under the terms of the Arrangement: (a) the holders of ATCO Class I Shares will receive 0.865 of a common share of Emera (the Emera Shares) and one Class I non-voting share of New ATCO (the New ATCO Class I Shares) for each ATCO Class I Share held; (b) the holders of ATCO Class II Shares will receive 0.865 of an Emera Share and one Class II voting share of New ATCO (the New ATCO Class II Shares) for each ATCO Class II Share held; (c) the holders of Canadian Utilities Class A Shares (other than ATCO) will receive 0.755 of an Emera Share for each Canadian Utilities Class A Share held; and (d) the holders of Canadian Utilities Class B Shares (other than ATCO) will receive 0.819 of an Emera Share for each Canadian Utilities Class B Share held.

Until the Arrangement is completed, each company is generally required to operate in the ordinary course of business and take reasonable steps to preserve its business operations and key relationships, subject to specified exceptions. These exceptions include actions required by law or necessary to complete the Arrangement and the spin-out of New ATCO.

The Arrangement is subject to customary closing conditions, including applicable security holder, court, regulatory and stock exchange approvals, and is expected to close in the third or fourth quarter of 2027.

Through the application of judgment, the Company has concluded that the proposed Arrangement did not result in any non-current assets or disposal groups meeting the criteria for classification as held for distribution under IFRS Accounting Standards at September 30, 2026.