ATCO LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

This Management's Discussion and Analysis (MD&A) is meant to help readers understand key operational and financial events that influenced the results of ATCO Ltd. (ATCO, our, we, us, or the Company) during the nine months ended September 30, 2026.

This MD&A was prepared as of November 5, 2026, and should be read with the Company's unaudited interim consolidated financial statements for the nine months ended September 30, 2026. Additional information, including the Company's previous MD&As, Annual Information Form, and audited consolidated financial statements for the year ended December 31, 2025, is available on SEDAR+ at www.sedarplus.ca. Information contained in the 2025 MD&A is not discussed in this MD&A if it remains substantially unchanged.

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). Throughout this MD&A, the Company's earnings attributable to Class I and Class II Shares and adjusted earnings are presented after non-controlling interests.

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

TABLE OF CONTENTS

	Page
Unlocking ATCO's Next Chapter of Growth	2
Performance Overview	5
Business Unit Performance	8
ATCO Structures & Logistics	8
ATCO Investments	11
Canadian Utilities	13
ATCO Energy Systems	13
ATCO EnPower	16
ATCO Australia	18
Canadian Utilities Financing & Other	19
Policy, Regulatory & Other Recent Events	19
Other Expenses and Income	21
Liquidity and Capital Resources	23
Share Capital	26
Quarterly Information	27
Other Financial and Non-GAAP Measures	29
Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares	30
Reconciliation of Capital Investment to Capital Expenditures	40
Other Financial Information	41
Glossary	45
Appendix 1: Supplemental Non-Audited Financial Information	46

UNLOCKING ATCO'S NEXT CHAPTER OF GROWTH

On October 6, 2026, ATCO, Canadian Utilities and Emera Incorporated (Emera) announced a transformational agreement to create a Canadian utility and energy infrastructure powerhouse. Emera and Canadian Utilities will combine in a merger of equals to form one of the 20 largest utilities in North America.

In connection with the transaction, ATCO will spin-out its industrial services businesses, into "New ATCO", focused on housing, defence, and other investments, including ports and retail energy. New ATCO will emerge as a new publicly-traded company with a clear growth agenda and distinct investor proposition.

The transaction was approved following a process and comprehensive reviews by all three Boards, including independent Special Committees for ATCO and Canadian Utilities, supported by independent financial and legal advice.

CREATING TWO DISTINCT PLATFORMS

UNLOCKING A FOCUSED HOUSING, DEFENCE, AND INDUSTRIAL SERVICES COMPANY



New ATCO will emerge as a purpose-built industrial services company with dedicated leadership, capital and strategic focus, positioned to build, deploy and operate in complex and remote environments across North America and international markets.

As a focused industrial services company built on nearly 80 years of operating and investment experience, best-in-class Indigenous relationships, and a proven track record supporting defence, security and critical infrastructure projects, New ATCO will be well positioned to capitalize on opportunities arising from housing availability, defence modernization, Arctic sovereignty, economic security and northern development. Through its established capabilities and strategic investments, New ATCO expects to play an important role in supporting workforce accommodations, military housing, operational facilities, transportation infrastructure and other nation-building projects across Canada and beyond. Supported by a disciplined approach to capital deployment and the flexibility of a standalone company, New ATCO is expected to have a strong foundation for both organic and acquisition-led growth, creating a clearer path to long-term value recognition.

New ATCO will continue with global operations with headquarters in Calgary, Alberta. Nancy Southern will serve as Chair and Chief Executive Officer and Katie Patrick will serve as Chief Financial & Investment Officer.

BUILDING A CANADIAN-HEADQUARTERED ENERGY AND INFRASTRUCTURE POWERHOUSE



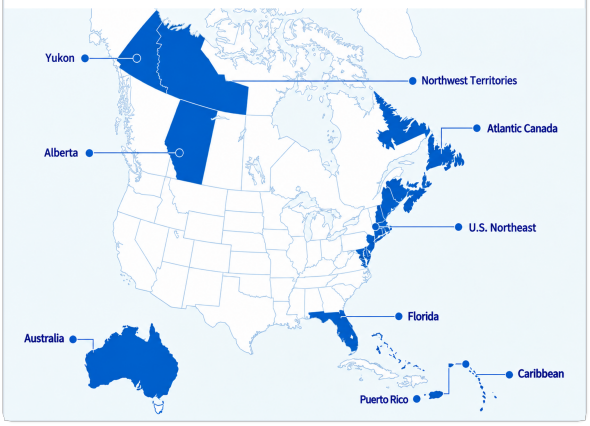
The Emera and Canadian Utilities combined company is expected to have greater financial strength, broader capabilities, and enhanced investment capacity to support expected growing energy and infrastructure needs across its operations. This increased scale will position the company to support a range of capital-intensive priorities with plans to execute on a $33.5 billion capital plan through 2030 for CU and 2031 for Emera, which is expected to drive average annual rate base growth of approximately 7 per cent and 7.5 to 8.5 per cent, respectively. This plan is expected to continue supporting investments in

growth opportunities driven by electrification, transmission, energy security, and other major energy infrastructure needs across Canada, the United States and Australia.

The combined company will operate as Emera. Its public company headquarters will remain in Halifax, while maintaining Canadian Utilities' corporate and operational headquarters in Calgary and Edmonton, with a strong continued presence in Canadian Utilities' key markets including Perth, Australia. Emera's US operations will continue to be headquartered in Tampa, Florida.

Both Canadian Utilities and Emera will benefit from this greater geographic and regulatory diversification, enhanced financial flexibility and continued exposure to two of the fastest growth jurisdictions in North America – Florida and Alberta; greater economies of scale; and deeper access to skilled labour and leadership.

Combined Geographic Footprint (1)



(1) ATCO Mexico operates in Mexico.

TRANSACTION OVERVIEW

COMBINATION OF EMERA AND CANADIAN UTILITIES

The transaction is structured as an all-share transaction. As part of the merger, Emera is required 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.

ATCO and Canadian Utilities non-voting shareholders will receive Emera voting common shares. Canadian Utilities preferred shares will remain outstanding, and no fractional Emera shares will be issued.

Following completion of the transaction, existing Emera shareholders are expected to collectively own approximately 60 per cent of the combined company, while former ATCO and Canadian Utilities shareholders are expected to collectively own approximately 40 per cent.

TERMS OF 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.

NEXT STEPS

Completion of the transaction is subject to the satisfaction of customary conditions, including applicable securityholder, court, stock exchange and regulatory approvals. The transaction is expected to close in the third or fourth quarter of 2027. While the transaction progresses, it remains business as usual for Emera, ATCO and Canadian Utilities and their employees. The companies remain focused on customers, employees, safety, reliability and operations.

Joint Management Information Circular & Special Meetings

A joint management information circular containing details of the transaction will be prepared and made available to applicable securityholders of ATCO, Canadian Utilities, and Emera in connection with the special meeting of such securityholders expected to be held in early 2027.

Additional details regarding the transaction, including a copy of the arrangement agreement and the full text of the fairness opinions, will be included in the circular. The transaction will be effected by way of a court-approved plan of arrangement under the *Canada Business Corporations Act*.

Securityholder Approvals

In order to proceed, the arrangement must be approved by:

- at least two-thirds of the votes cast by holders of ATCO Class I and Class II Shares, voting together as a single class;
- at least two-thirds of the votes cast by holders of ATCO Class I and Class II Shares, ATCO options and ATCO SARs, voting together as a single class;
- at least two-thirds of the votes cast by holders of Canadian Utilities Class A Shares;
- at least two-thirds of the votes cast by holders of Canadian Utilities Class B Shares;
- at least two-thirds of the votes cast by holders of Canadian Utilities Class A and Class B Shares, Canadian Utilities options and Canadian Utilities SARs, voting together as a single class;
- a simple majority of the votes cast by the holders of Canadian Utilities Class A Shares, excluding votes required to be excluded under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*; and
- a simple majority of the votes cast by Emera shareholders for the issuance of Emera Shares in connection with the transaction,

in each case by applicable holders present or represented by proxy at the applicable meeting, and such other approvals as may be required under applicable securities laws or by the Court of King's Bench of Alberta in connection with the arrangement. On each such arrangement resolution, all applicable ATCO and Canadian Utilities securityholders (including holders of non-voting shares, options and share appreciation rights (SARs)) are entitled to one vote for each security held.

As part of the transaction, ATCO Class I and Class II shareholders will also be asked to approve the continuance of ATCO as a federal corporation under the *Canada Business Corporations Act*, which is a technical step needed to complete the arrangement. New ATCO is a separate company that is being incorporated in Alberta and will remain an Alberta company headquartered in Calgary. The continuance will require approval by two-thirds of the votes cast by holders of ATCO Class I and Class II common shares present or represented by proxy at the ATCO special meeting, voting together as a single class (with one vote per share). The arrangement will not proceed unless the continuance is approved.

Court and Regulatory Approvals

The transaction is subject to the receipt of all required court, regulatory and stock exchange approvals, including approval of the Court of King's Bench of Alberta, the Alberta Utilities Commission, the US Federal Communications Commission, the US Federal Energy Regulatory Commission, Comisión Nacional Antimonopolio of Mexico, the Toronto Stock Exchange and the New York Stock Exchange, and approvals or notifications under the *Competition Act* (Canada), the *Canada Transportation Act*, the *Australian Foreign Acquisitions and Takeovers Act 1975*, the *Australian Competition and Consumer Act 2010*, the *United States Hart-Scott-Rodino Antitrust Improvements Act of 1976*, and the Committee on Foreign Investment in the United States.

PERFORMANCE OVERVIEW

FINANCIAL METRICS

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

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions, except per share data and outstanding shares)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
Key Financial Metrics						
Revenues	**1,335**	1,184	151	**4,080**	3,753	327
Adjusted earnings (loss) [1]	**112**	103	9	**391**	364	27
ATCO Structures & Logistics [1]	**40**	32	8	**103**	91	12
ATCO Investments [1]	**12**	13	(1)	**27**	30	(3)
Canadian Utilities Limited [1]						
ATCO Energy Systems [1]	**54**	53	1	**247**	235	12
ATCO EnPower [1]	**8**	9	(1)	**22**	21	1
ATCO Australia [1]	**15**	14	1	**44**	32	12
Canadian Utilities Financing & Other [1]	**(17)**	(18)	1	**(52)**	(45)	(7)
Adjusted earnings ($ per share) [2]	**1.00**	0.92	0.08	**3.48**	3.24	0.24
Earnings attributable to Class I and Class II Shares	**83**	85	(2)	**323**	293	30
Earnings attributable to Class I and Class II Shares ($ per share)	**0.74**	0.76	(0.02)	**2.87**	2.61	0.26
Diluted earnings attributable to Class I and Class II Shares ($ per share)	**0.73**	0.75	(0.02)	**2.85**	2.60	0.25
Total assets	**28,380**	27,742	638	**28,380**	27,742	638
Long-term debt	**12,948**	12,734	214	**12,948**	12,734	214
Class I and Class II Share owners' equity	**4,757**	4,747	10	**4,757**	4,747	10
Cash dividends declared per Class I and Class II Share (cents per share)	**51.96**	50.45	1.51	**155.88**	151.35	4.53
Cash flows from operating activities	**635**	552	83	**2,043**	1,822	221
Capital investment [3]	**728**	470	258	**1,636**	1,376	260
Capital expenditures	**725**	467	258	**1,629**	1,367	262
Other Financial Metrics						
Weighted average Class I and Class II Shares outstanding *(thousands):*						
Basic	**112,528**	112,354	174	**112,491**	112,338	153
Diluted	**113,689**	112,813	876	**113,501**	112,666	835

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

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

(3) Non-GAAP financial measure (as defined in NI 52-112). The most directly comparable measure reported in accordance with IFRS is capital expenditures. Capital investment is not a standardized financial measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Capital Investment to Capital Expenditures" in this MD&A.

REVENUES

Revenues in the third quarter of 2026 were $1,335 million, $151 million higher than the same period in 2025 mainly due to additional revenues from the Stibnite Gold project, increased permanent modular construction sales and space rentals leasing activity in ATCO Structures, as well as increased customer rates and higher foreign exchange rates in ATCO Gas Australia. Revenues were also positively impacted by higher flow-through revenues in Natural Gas Distribution and Electricity Distribution, an increase in revenue requirement in Natural Gas Transmission from the inclusion of construction work in progress for the Yellowhead Pipeline in the 2026 rate base, as approved by the Alberta Utilities Commission (AUC), and stronger seasonal spreads in natural gas storage services in ATCO EnPower.

ADJUSTED EARNINGS [1]

Adjusted earnings in the third quarter of 2026 were $112 million or $1.00 per share, compared to $103 million or $0.92 per share for the same period in 2025.

Higher adjusted earnings in the third quarter of 2026 were mainly due to increased space rentals leasing activity and earnings from the Stibnite Gold project in ATCO Structures, the impact of inflation indexing on rate base and increased customer rates in ATCO Gas Australia, and growth in rate base in ATCO Energy Systems' businesses. Higher adjusted earnings were partially offset by changes in cargo mix and operating margins as well as the timing of certain activities in Neltume Ports, and the timing of cost efficiencies in Electricity Distribution and Natural Gas Distribution.

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

EARNINGS ATTRIBUTABLE TO CLASS I AND CLASS II SHARES

Earnings attributable to Class I and Class II Shares were $83 million in the third quarter of 2026, $2 million lower compared to the same period in 2025. Earnings attributable to Class I and Class II Shares include timing adjustments related to rate-regulated activities, unrealized gains or losses on mark-to-market forward and swap commodity contracts, one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations. These items are not included in adjusted earnings.

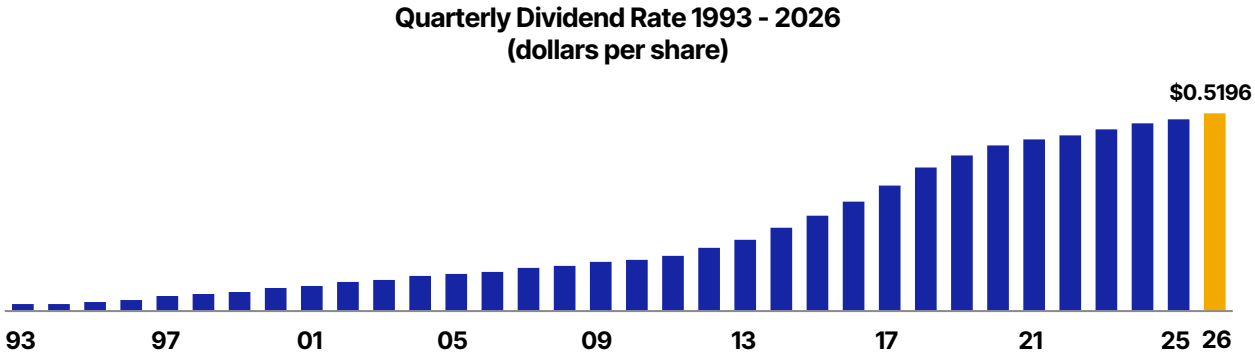
More information on these and other items is included in the "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" section of this MD&A.

CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities were $635 million in the third quarter of 2026, $83 million higher than the same period in 2025. This increase was mainly due to higher earnings, excluding the impact of non-cash items, across most business units and higher customer contributions, partially offset by the timing of working capital.

COMMON SHARE DIVIDENDS

Dividends paid to Class I and Class II Share owners totalled $59 million in the third quarter of 2026. On October 8, 2026, the Board of Directors declared a fourth quarter dividend of 51.96 cents per share or $2.08 on an annualized basis.



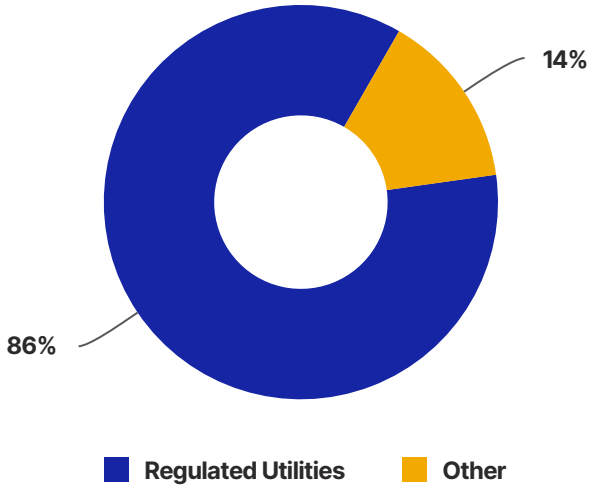
[1] *Total of segments measure. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.*

CAPITAL INVESTMENT [1] AND CAPITAL EXPENDITURES

Capital investment is a non-GAAP financial measure defined as cash used for capital expenditures, business combinations, and cash used in the Company's share of capital expenditures in joint ventures. Total capital investment of $728 million in the third quarter of 2026 was $258 million higher compared to the same period in 2025 mainly due to increased spending related to ongoing system upgrades and growth projects in the Regulated Utilities, including Yellowhead Pipeline in Natural Gas Transmission, and higher spending in ATCO EnPower, largely related to storage expansion projects.

Capital expenditures, a GAAP measure reported in accordance with IFRS, includes additions to property, plant and equipment and intangibles as well as interest capitalized during construction. Total capital expenditures of $725 million in the third quarter of 2026 were $258 million higher compared to the same period in 2025 mainly due to the factors outlined above. Capital expenditures in joint ventures and business combinations are excluded from capital expenditures.

Capital Expenditures for the Three Months Ended September 30, 2026



Capital expenditures in Canadian Utilities' Regulated Utilities accounted for 86 per cent of the total in the third quarter of 2026. The remaining capital expenditures were primarily related to ATCO Structures' continued expansion of its space rentals fleet, and capital spending within ATCO Investments and ATCO EnPower.

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

BUSINESS UNIT PERFORMANCE



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

REVENUES

ATCO Structures & Logistics revenues of $384 million and $1,058 million in the third quarter and first nine months of 2026 were $47 million and $157 million higher than the same periods in 2025 mainly due to ATCO Structures' additional revenues from the Stibnite Gold project, which commenced in the fourth quarter of 2025, increased permanent modular construction sales including residential housing, and space rentals leasing activity. Higher revenues in the first nine months of 2026 were partially offset by lower workforce housing sales.

ADJUSTED EARNINGS

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
ATCO Structures [1]	**34**	30	4	**97**	88	9
ATCO Frontec [1]	**6**	2	4	**6**	3	3
Total ATCO Structures & Logistics [2]	**40**	32	8	**103**	91	12

(1) Non-GAAP financial measures. The most directly comparable measure reported in accordance with IFRS is Earnings Attributable to Class I non-voting and Class II voting shares. Adjusted earnings is not a standardized financial measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. See "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in this MD&A.

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

ATCO Structures & Logistics adjusted earnings of $40 million and $103 million in the third quarter and first nine months of 2026 were $8 million and $12 million higher than the same periods in 2025 mainly due to ATCO Structures' earnings from the Stibnite Gold project, increased space rentals leasing activity, and permanent modular construction sales. Additionally, adjusted earnings were positively impacted by ATCO Frontec's earnings from a Defence Construction Canada contract during the third quarter of 2026. Higher adjusted earnings were partially offset by higher operating costs in ATCO Structures to support the expansion of the business, and the scheduled closure of ATCO Frontec's BC Hydro Site C camp in the first quarter of 2026. Adjusted earnings in the first nine months of 2026 were also partially offset by ATCO Structures' lower workforce housing sales.

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

ATCO STRUCTURES

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.

ATCO Structures' adjusted earnings of $34 million and $97 million in the third quarter and first nine months of 2026 were $4 million and $9 million higher than the same periods in 2025 mainly due to earnings from the Stibnite Gold project, increased space rentals leasing activity globally, and increased permanent modular construction sales primarily in Canada and the US. Higher adjusted earnings were partially offset by increased operating costs supporting expansion of the business. Additionally, adjusted earnings in the first nine months of 2026 were partially offset by ATCO Structures' lower workforce housing sales in Australia, Canada and Chile.

The following table compares ATCO Structures' rental fleet for the third quarter and first nine months of 2026 and 2025.

	Three Months Ended September 30			Nine Months Ended September 30		
	2026	**2025**	**Change**	**2026**	**2025**	**Change**
Global Space Rentals						
Number of units	**27,468**	26,136	5%	**27,468**	26,136	5%
Average utilization *(%)*	**80**	75	5%	**78**	75	3%
Average rental rate *($ per month)*	**924**	834	11%	**894**	817	9%
Global Workforce Housing						
Number of units	**1,881**	2,354	(20%)	**1,881**	2,354	(20%)
Average utilization *(%)*	**64**	56	8%	**60**	58	2%
Average rental rate *($ per month)*	**1,355**	1,404	(3%)	**1,333**	1,383	(4%)

Rental Fleet

Space Rentals

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 demand from existing customers and growth in the customer base from newer branches in these regions. The demand is underpinned by strong general construction activity, and projects supporting mining, energy, natural resource, technology and public infrastructure development in Canada, the US and Australia. Utilization rates have improved while growing the number of units in the rental fleet through targeted investment to strengthen market position in regions with ongoing activity.

Workforce Housing

ATCO Structures is focused on maintaining the optimized level and mix of workforce housing fleet in Canada, the US and Australia, which includes targeted investment to tailor fleet mix and expand fleet offerings in strategic locations to meet the current and anticipated market demand. In the first nine months of 2026, there has been heightened customer demand for new manufactured and used fleet products for purchase. The workforce housing market responds to both the capital spending cycle and development activity in various industries, primarily in remote locations where workforce accommodation is not readily available. As a result, workforce housing products tend to move in large tranches and ATCO Structures aims to strategically position its fleet in response to the short-term cycle ebbs and flows.

ATCO Structures Recent Developments

In the third quarter of 2026, ATCO Structures continued growing its market presence through organic strategic initiatives and investment, particularly in space rentals. This included expansion and optimization of the global rental fleet.

Awarded contracts, such as those summarized below, illustrate the diversity of geographies and industries served by ATCO Structures and contribute to the resilience of its growth. These highlighted projects represent selected contract awards during the quarter and do not comprise all activity or newly awarded contracts in this period.

Beyond the projects detailed below, ATCO Structures also received notices of award and limited notices to proceed for affordable housing and mining projects in Western Canada with an expected combined contract value of $50 million. These contracts are anticipated to commence in 2026.

Canada

ATCO Structures was awarded contracts to provide space rentals and workforce housing solutions supporting energy infrastructure and healthcare projects in Western Canada, and public infrastructure development and mining projects in Western and Central Canada. These awards comprise over 120 modular units and total $54 million in sale and lease contracts.

United States

ATCO Structures was previously awarded a $179 million contract by Perpetua Resources Corp. to supply and install a 1,052-person dormitory lodge and office facilities in support of the Stibnite Gold project located near Yellow Pine, Idaho. In the third quarter of 2026, manufacturing of all units for the dormitory lodge was completed in line with the original schedule. Site work commenced in the third quarter of 2026 with the first handover milestone anticipated in the fourth quarter of 2026.

ATCO Structures was awarded contracts to provide space rental, workforce housing, and permanent modular construction solutions supporting technology and data centre construction in Idaho and Texas, gold mining in Nevada and Washington, and energy projects in Louisiana. These awards comprise over 280 modular units and total $55 million in sale and lease contracts.

Australia

ATCO Structures was awarded contracts to provide workforce housing solutions supporting energy projects in Western Australia, and mining projects in Western Australia and Queensland. These awards comprise over 450 modular units and total $160 million in sale and lease contracts.

Transfer of Camp Services Operations

Subsequent to quarter end and effective October 1, 2026, ATCO Frontec's Camp Services operations, which include workforce lodging and support services, have been transferred to ATCO Structures and will be reported as part of the ATCO Structures business going forward. ATCO Structures will combine this Camp Services offering with its existing Workforce Housing product to more efficiently meet customer demand for turnkey modular camp solutions.

ATCO FRONTEC

ATCO Frontec provides facility operations and maintenance services, defence operations services, and disaster and emergency management services. Prior to October 1, 2026, Frontec also provided workforce lodging and support services.

ATCO Frontec's adjusted earnings of $6 million and $6 million in the third quarter and first nine months of 2026 were $4 million and $3 million higher than the same periods in 2025 mainly due to additional earnings from a Defence Construction Canada contract during the third quarter of 2026, increased earnings from the Polar Over-the-Horizon Radar project, and increased occupancy at the Jansen Discovery Lodge and Artemis Gold camps. Higher adjusted earnings were partially offset by the scheduled closure of the BC Hydro Site C camp in the first quarter of 2026.

ATCO Frontec Recent Developments

Polar Over-the-Horizon Radar (POTHR) Project Milestone

Frontec has received formal approval from the Defence Research and Development Canada Technical Authority for Factory Acceptance Testing for the POTHR project, which will provide long range surveillance of Canadian territory and surrounding areas within the Arctic Circle using a high frequency radar system. This is a major milestone in the project representing 25 per cent of the contract value. In September 2026, the project was set up for Field Testing in Ottawa which will demonstrate that

the system performs as designed in an operational environment. Field Testing is expected to be completed by the end of the year. As of September 30, 2026, the POTHR project is approximately 68 per cent complete.

Transfer of Camp Services Operations

Subsequent to quarter end and effective October 1, 2026, ATCO Frontec's Camp Services operations, which include workforce lodging and support services, have been transferred to ATCO Structures and will be reported as part of the ATCO Structures business going forward.



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.

REVENUES

Including intersegment eliminations, ATCO Investments' revenues of $49 million and $122 million in the third quarter and first nine months of 2026 were $6 million and $11 million lower than the same periods in 2025 mainly due to decreased commodity prices in ATCO Energy and decreased volume at Ashcor facilities.

ADJUSTED EARNINGS

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
Investments						
Neltume Ports	**5**	10	(5)	**18**	25	(7)
Other Investments [1]	**6**	4	2	**19**	14	5
Total Investments [1]	**11**	14	(3)	**37**	39	(2)
ATCO Corporate & Other [1]	**1**	(1)	2	**(10)**	(9)	(1)
Total ATCO Investments [2]	**12**	13	(1)	**27**	30	(3)

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

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

Including intersegment eliminations, ATCO Investments' adjusted earnings of $12 million and $27 million in the third quarter and first nine months of 2026 were $1 million and $3 million lower than the same periods in 2025 mainly due to the timing of changes in cargo mix and operating margins at Neltume Ports, lower interest income, and higher share-based compensation expense related to an increase in ATCO's share price in ATCO Corporate & Other. Lower adjusted earnings were partially offset by increased commodity margins at ATCO Energy, and lower plant operating costs in Ashcor.

Neltume Ports

Neltume Ports is a port operator and developer with a diversified portfolio of 17 multi-purpose, bulk cargo and container port facilities and 6 port operation services. The business is located primarily in Chile with additional operations in Uruguay,

Argentina, Brazil, Guatemala, and the US.

Neltume Ports' adjusted earnings of $5 million and $18 million in the third quarter and first nine months of 2026 were $5 million and $7 million lower than the same periods in 2025 mainly due to changes in cargo mix and operating margins, timing of certain activities, and an additional nonrecurring service which contributed approximately $2 million to adjusted earnings in the third quarter of 2025.

Other Investments

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

Other Investments' adjusted earnings of $6 million and $19 million in the third quarter and first nine months of 2026 were $2 million and $5 million higher than the same periods in 2025 mainly due to increased commodity margins at ATCO Energy, and lower plant operating costs at Ashcor's Battle River site.

ATCO Corporate & Other

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

ATCO Corporate & Other's adjusted earnings in the third quarter of 2026 were $2 million higher than the same period in 2025 mainly due to the timing of certain expenses.

ATCO Corporate & Other's adjusted earnings in the first nine months of 2026 were $1 million lower than the same period in 2025 mainly due to higher share-based compensation expense related to an increase in ATCO's share price, and lower interest income.

RECENT DEVELOPMENTS

Neltume Ports

Ownership Interest Increases

In the third quarter of 2026, Neltume Ports completed the $65 million USD ($90 million CAD) acquisition of an additional 50 per cent interest in Puerto Coronel, increasing its ownership to 75 per cent.

Vancouver Bulk Terminal Joint Venture

The Vancouver Bulk Terminal, a joint venture between Neltume Ports and Nautilus International Holding Corporation, remains on schedule for the construction of the soda ash export bulk facility at Terminal 2 within the Port of Vancouver, Washington, and is expected to be completed in the fourth quarter of 2026.



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

REVENUES

ATCO Energy Systems revenues of $747 million and $2,427 million in the third quarter and first nine months of 2026 were $84 million and $130 million higher than the same periods in 2025. Higher revenues were mainly due to higher flow-through revenues in Natural Gas Distribution and Electricity Distribution, growth in rate base, and an increase in revenue requirement in Natural Gas Transmission from the inclusion of construction work in progress for the Yellowhead Pipeline in the 2026 rate base, as approved by the AUC. Higher revenues in the first nine months of 2026 were partially offset by refunds to Electricity Distribution and Natural Gas Distribution customers from September 1, 2025 to February 28, 2026, resulting from the AUC's Second Generation Performance Based Regulation (PBR2) Re-opener Phase II decision issued in the second quarter of 2025.

ADJUSTED EARNINGS

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
Electricity						
Electricity Distribution [1]	**19**	21	(2)	**61**	62	(1)
Electricity Transmission [1]	**25**	23	2	**75**	70	5
International Electricity Operations [1]	**8**	8	—	**23**	23	—
Total Electricity [1]	**52**	52	—	**159**	155	4
Natural Gas						
Natural Gas Distribution [1]	**(17)**	(14)	(3)	**39**	37	2
Natural Gas Transmission [1]	**19**	15	4	**49**	43	6
Total Natural Gas [1]	**2**	1	1	**88**	80	8
Total ATCO Energy Systems [2]	**54**	53	1	**247**	235	12

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

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

ATCO Energy Systems' adjusted earnings of $54 million and $247 million in the third quarter and first nine months of 2026 were $1 million and $12 million higher than the same periods in 2025 mainly due to growth in rate base. Higher adjusted earnings were also due to lower income tax expense resulting from the March 2026 enactment of the *Budget 2025 Implementation Act, No. 1* (Bill C-15), which reinstated the Accelerated Investment Incentive and increased the deductibility of eligible property acquired after 2024 and available for use before 2030. Higher adjusted earnings were partially offset by the timing of cost efficiencies in Electricity Distribution and Natural Gas Distribution, and Natural Gas Transmission's AUC-

approved 2026-2028 General Rate Application (GRA), which included cost efficiencies from prior periods that are being passed on to customers.

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

Electricity Distribution

Electricity Distribution provides regulated electricity distribution and distributed generation mainly in northern and central east Alberta, the Yukon, the Northwest Territories, and in the Lloydminster area of Saskatchewan.

Electricity Distribution adjusted earnings of $19 million and $61 million in the third quarter and first nine months of 2026 were $2 million and $1 million lower than the same periods in 2025 mainly due to timing of cost efficiencies, partially offset by growth in rate base, and in the first nine months of 2026, lower income tax expense due to the March 2026 enactment of Bill C-15.

Electricity Transmission

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

Electricity Transmission adjusted earnings of $25 million and $75 million in the third quarter and first nine months of 2026 were $2 million and $5 million higher than the same periods in 2025 mainly due to growth in rate base.

International Electricity Operations

International Electricity Operations includes a 50 per cent ownership in LUMA Energy, LLC (LUMA Energy), held by a subsidiary of Canadian Utilities. LUMA Energy is a company formed and awarded an Operations and Maintenance Agreement with the Puerto Rico Public-Private Partnerships Authority and the Puerto Rico Electric Power Authority.

LUMA Energy continues to operate under the terms of a Supplemental Agreement, which was extended on November 30, 2022.

International Electricity Operations adjusted earnings of $8 million and $23 million in the third quarter and first nine months of 2026 were comparable to the same periods in 2025.

Natural Gas Distribution

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

Natural Gas Distribution adjusted earnings in the third quarter of 2026 were $3 million lower than the same period in 2025 mainly due to the timing of cost efficiencies, partially offset by growth in rate base.

Natural Gas Distribution adjusted earnings of $39 million in the first nine months of 2026 were $2 million higher than the same period in 2025 mainly due to growth in rate base and lower income tax expense due to the March 2026 enactment of Bill C-15, partially offset by the timing of cost efficiencies.

Natural Gas Transmission

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

Natural Gas Transmission adjusted earnings of $19 million and $49 million in the third quarter and first nine months of 2026 were $4 million and $6 million higher than the same periods in 2025 mainly due to growth in rate base and lower income tax expense due to the March 2026 enactment of Bill C-15. Higher adjusted earnings were partially offset by the 2026-2028 GRA, which was approved by the AUC and included cost efficiencies from prior periods that are being passed on to customers.

ATCO ENERGY SYSTEMS RECENT DEVELOPMENTS

Utility Infrastructure Projects

ATCO Energy Systems continues work on the Yellowhead Pipeline in Natural Gas Transmission. Yellowhead Pipeline consists of approximately 235 kilometres of high-pressure natural gas pipeline with the projected spend estimated at $2.9 billion. In the third quarter of 2025, the AUC approved the Need Assessment Application for the project, and on July 17, 2026, the AUC approved the facility application. With these two key regulatory filings approved, construction has commenced. All major pipeline and compressor contracts, including supply and materials, have been awarded and the pipeline is 100 per cent contracted with customers. The Yellowhead Pipeline will support Alberta's continued economic growth, industrial expansion and rising energy demand.

The Company expects to fund Yellowhead Pipeline's development within CU Inc., according to its regulated capital structure, which is 63 per cent regulated debt and 37 per cent regulated equity. The regulated debt is expected to be funded with CU Inc. debenture issuances throughout the remainder of 2026 and 2027. The regulated equity is expected to be funded with internally generated cash flows and equity contributions from Canadian Utilities, with Indigenous partnerships expected to contribute up to 30 per cent of the equity. In 2025, Canadian Utilities raised $500 million of fixed-to-fixed rate subordinated notes and $200 million of preferred shares to substantially pre-fund its equity contribution.



October 13, 2026, groundbreaking of the Yellowhead Pipeline

Funding Strategy

To fund ATCO Energy Systems' regulated debt requirements, CU Inc., a wholly-owned subsidiary of Canadian Utilities, expects to issue debentures each year during the five-year (2026-2030) capital expenditure plan. For regulated equity requirements, in addition to cash flow from operations and the $0.7 billion financed in 2025, Canadian Utilities expects to raise an additional $0.8 billion of capital securities [1] over the five-year (2026-2030) capital expenditure plan to fund the equity portion of investment. The current five-year (2026-2030) capital expenditure plan does not require common equity to fund the regulated utility growth.

ATCO ENERGY SYSTEMS REGULATORY DEVELOPMENTS

Common Matters

Second Generation Performance Based Regulation (PBR2) Re-opener: Phase I and Phase II Appeals

On September 3, 2026, the Alberta Court of Appeal (ABCA) upheld the AUC's PBR2 re-opener and PBR2 remedy decisions, including the previously directed refund of $71 million ($30 million after-tax and non-controlling interests) to Electricity Distribution and Natural Gas Distribution customers, which was made over the period September 1, 2025 to February 28, 2026. As a result of the ABCA's decision, the refunds were determined to be non-recoverable. As the financial impact of the ABCA's decision is not indicative of day-to-day operations, it has been excluded from adjusted earnings.

---

[1] *Capital securities could include preferred shares, hybrid bonds, and/or debentures.*

Electricity Transmission

2026-2027 General Tariff Application (GTA)

On November 21, 2025, Electricity Transmission filed its GTA with the AUC to establish its revenue requirement for 2026 and 2027. In June 2026, Electricity Transmission and interveners reached a comprehensive Negotiated Settlement Agreement (NSA), which excluded three line-move capital projects. The NSA was approved by the AUC on July 3, 2026. On October 8, 2026, the AUC issued its decision on the three line-move capital projects, substantially approving all remaining costs outside the previously approved NSA.

ATCO EnPower

REVENUES

ATCO EnPower revenues of $70 million and $245 million in the third quarter and first nine months of 2026 were $11 million and $17 million higher than the same periods in 2025 mainly due to stronger seasonal spreads in natural gas storage services.

ADJUSTED EARNINGS

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
Electricity Generation [1]	**—**	2	(2)	**(3)**	(1)	(2)
Storage & Industrial Water [1]	**8**	7	1	**25**	22	3
Total ATCO EnPower [2]	**8**	9	(1)	**22**	21	1

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

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

ATCO EnPower adjusted earnings of $8 million in the third quarter of 2026 were $1 million lower than the same period in 2025 mainly due to lower carbon pricing recognized for emissions credits generated, lower compensation related to turbine availability guarantees at the Forty Mile wind facility, and lower generation at the Veracruz hydro facility in Mexico. Lower adjusted earnings were partially offset by stronger seasonal spreads in natural gas storage services and lower depreciation expense due to asset impairments related to the Renewables portfolio in the fourth quarter of 2025.

ATCO EnPower adjusted earnings of $22 million in the first nine months of 2026 were $1 million higher than the same period in 2025 mainly due to stronger seasonal spreads in natural gas storage services and lower depreciation expense due to asset impairments related to the Renewables portfolio in the fourth quarter of 2025. Higher adjusted earnings were partially offset by lower carbon pricing recognized for emissions credits generated and lower compensation related to turbine availability guarantees at the Forty Mile wind facility.

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

Electricity Generation

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

Electricity Generation adjusted earnings in the third quarter and first nine months of 2026 were each $2 million lower than the same periods in 2025 mainly due to lower carbon pricing recognized for emissions credits generated, lower compensation related to turbine availability guarantees at the Forty Mile wind facility, and lower generation at the Veracruz hydro facility in Mexico. Lower adjusted earnings were partially offset by lower depreciation expense due to asset impairments related to the Renewables portfolio in the fourth quarter of 2025.

The following table compares ATCO EnPower's generation portfolio performance in Canada for the third quarter and first nine months of 2026 and 2025.

	Three Months Ended September 30			Nine Months Ended September 30		
	2026	2025	Change	2026	2025	Change
Capacity Share [1] [2] ***(MW)***	**409**	390	19	**409**	390	19
Generation *(MWh)*	**211,755**	196,294	15,461	**677,497**	663,312	14,185
Wind	**110,555**	109,574	981	**432,925**	455,182	(22,257)
Solar	**61,805**	63,131	(1,326)	**155,508**	156,633	(1,125)
Hydroelectric	**35,229**	23,589	11,640	**79,755**	51,497	28,258
Natural Gas	**4,166**	—	4,166	**9,309**	—	9,309
% Merchant	**41**	36	5	**36**	32	4
% PPA [3]	**59**	64	(5)	**64**	68	(4)
Average Realized Price *($/MWh)*	**67**	68	(1)	**70**	72	(2)

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

(2) Capacity share increased by 19-MW as a result of completing the acquisition of the Elmworth generating station in the fourth quarter of 2025.

(3) PPA means Power Purchase Agreement.

The average realized price related to the generation portfolio of $67 per MWh and $70 per MWh in the third quarter and first nine months of 2026 was lower compared to $68 per MWh and $72 per MWh in the same periods in 2025. This is mainly due to declines in merchant pricing from the comparable periods in 2025.

Wind generation in the third quarter of 2026 was higher overall than the same period in 2025, driven by improved wind resource at the Adelaide wind facility. This was partially offset by lower generation at the Forty Mile wind facility driven by higher Independent System Operator (ISO)-directed curtailment which offset a higher wind resource. The Forty Mile wind facility continues to be affected by significant ISO-directed curtailments caused by transmission system constraints in the southeast portion of Alberta resulting from inadequate transmission infrastructure and ongoing grid deficiencies with unprecedented levels of curtailment in the region continuing. The Alberta Electric System Operator's (AESO) unequal curtailment practices also continue to benefit Renewable Energy Program (REP) facilities at the expense of non-REP generators in the area.

Incumbent protection measures were released by the Government of Alberta on October 2, 2026. The incumbent protection mechanisms will apply to incumbent generators beginning in 2028 and are expected to partially mitigate the financial losses occurring as a result of curtailment at the Forty Mile wind facility.

Solar generation in the third quarter of 2026 was lower than the same period in 2025 driven in part by outages experienced during August and September at the Empress solar facility which offset improved performance at the Deerfoot solar facility.

There was improved generation in the third quarter of 2026 at the hydroelectric facility compared to the same period in 2025 as reservoir levels remain elevated, supported by strong basin-wide snowpack, high precipitation, and mild weather.

Natural gas generation in the third quarter of 2026 was higher than the same period in 2025 due to the fourth quarter 2025 acquisition of the Elmworth generating station.

Storage & Industrial Water

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

Storage & Industrial Water adjusted earnings of $8 million and $25 million in the third quarter and first nine months of 2026 were $1 million and $3 million higher than the same periods in 2025 mainly due to stronger seasonal spreads in natural gas storage services.

ATCO ENPOWER RECENT DEVELOPMENTS

Atlas Carbon Storage Hub Recognition

During the third quarter of 2026, the Atlas Carbon Storage Hub was selected as one of five global recipients of the 2026 Clean Energy Ministerial (CEM) - Mission Innovation (MI) "Carbon Management Project Awards". The project was nominated by the Government of Canada and recognized by an international expert committee from among 17 nominated projects representing eight CEM and MI Member Countries. The award recognizes innovation and excellence in carbon management and highlights the strategic importance of the Atlas Carbon Storage Hub in advancing large-scale carbon capture and storage solutions.

ATCO Australia

REVENUES

ATCO Australia revenues of $81 million and $218 million in the third quarter and first nine months of 2026 were $13 million and $33 million higher than the same periods in 2025 mainly due to increased customer rates in ATCO Gas Australia, and higher foreign exchange rates. Revenues for the first nine months of 2026 were partially offset by the revenues received in the first quarter of 2025 from the South Australia Hydrogen Jobs Plan project in ATCO Power Australia.

ADJUSTED EARNINGS

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
ATCO Gas Australia [1]	**16**	12	4	**43**	28	15
ATCO Power Australia [1]	**(1)**	2	(3)	**1**	4	(3)
Total ATCO Australia [2]	**15**	14	1	**44**	32	12

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

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

ATCO Australia adjusted earnings of $15 million and $44 million in the third quarter and first nine months of 2026 were $1 million and $12 million higher than the same periods in 2025 mainly due to the impact of inflation indexing on rate base, higher foreign exchange rates, and higher customer rates in ATCO Gas Australia.

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

ATCO Gas Australia

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

ATCO Gas Australia adjusted earnings of $16 million and $43 million in the third quarter and first nine months of 2026 were $4 million and $15 million higher than the same periods in 2025 mainly due to the impact of inflation indexing on rate base, higher foreign exchange rates, and higher customer rates.

Australia inflation indexing in 2026 currently reflects a full year inflation assumption of approximately 4 per cent, of which 3.2 per cent has been recognized in the first nine months. In 2025, Australia inflation indexing reflected a full year inflation of 3.4 per cent, of which 2.1 per cent was recognized for the first nine months of 2025. The impact of inflation on rate base is added to the rate base annually and is reflected in customer rates in future periods through the recovery of depreciation. Customer rates are adjusted annually through a mechanism, which adjusts the approved rates in real dollars for actual inflation.

ATCO Power Australia

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

ATCO Power Australia adjusted earnings in the third quarter and first nine months of 2026 were each $3 million lower than the same periods in 2025 mainly due to the execution of a settlement deed in the third quarter of 2025 for the South Australia

Hydrogen Jobs Plan project after the terms of the Early Contractor Involvement were agreed upon with the Department of Energy and Mining.

Canadian Utilities Financing & Other

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

REVENUES

Including intersegment eliminations, Canadian Utilities Financing & Other revenues of $4 million and $10 million in the third quarter and first nine months of 2026 were comparable to the same periods in 2025.

ADJUSTED EARNINGS (LOSS)

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
Canadian Utilities Financing & Other [(1)]	**(17)**	(18)	1	**(52)**	(45)	(7)

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

Including intersegment eliminations, Canadian Utilities Financing & Other adjusted loss in the third quarter of 2026 was $1 million lower than the same period in 2025 mainly due to the recognition of a one-time income tax adjustment in the third quarter of 2026 and higher interest income, partially offset by increased interest expense on the debt issuance in the third quarter of 2025 related to the pre-funding of the Yellowhead Pipeline investment.

Including intersegment eliminations, Canadian Utilities Financing & Other adjusted loss in the first nine months of 2026 was $7 million higher than the same period in 2025 mainly due to increased interest expense on the debt issuance in the third quarter of 2025 related to the pre-funding of the Yellowhead Pipeline investment and higher share-based compensation expense related to an increase in Canadian Utilities' share price, partially offset by the recognition of a one-time income tax adjustment in the third quarter of 2026, and higher interest income.

POLICY, REGULATORY & OTHER RECENT EVENTS

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

POLICY AND REGULATORY

CANADA

Defence Industrial Strategy

During the third quarter of 2026, the federal government advanced implementation of Canada's Defence Industrial Strategy, a long-term initiative intended to strengthen Canada's defence capabilities, domestic supply chains, strategic infrastructure, and industrial capacity. The strategy includes a focus on northern and Arctic development, critical infrastructure resilience, workforce development, and partnerships with provinces, territories, Indigenous communities, and industry. The initiative forms part of broader federal efforts to strengthen economic security and support strategic infrastructure investment across Canada. ATCO continues to monitor developments and assess potential implications for its businesses and customers.

Federal Impact Assessment Reforms

On September 9, 2026, amendments to the Physical Activities Regulations came into force, removing certain project types from the federal *Impact Assessment Act* project list, including international and interprovincial electrical transmission lines and

pipelines regulated by the Canada Energy Regulator (CER). Under the amended framework, these projects will be subject to review through existing regulatory processes administered by the CER rather than through a separate federal impact assessment process. The amendments form part of broader federal initiatives intended to reduce regulatory duplication, streamline project reviews, and improve permitting efficiency for major infrastructure projects.

Productivity Mega-Deduction

On September 15, 2026, the federal government announced the Productivity Mega-Deduction, a significant expansion of capital cost expense measures intended to reduce the cost of capital and encourage business investment. The measure expands immediate expense treatment to a broader range of capital assets, including certain energy infrastructure, pipelines, fibre-optic cable, software, research and development expenditures, and other eligible depreciable property. The government has stated that the measure is intended to improve Canada's investment competitiveness and support private-sector investment.

Building Canada Strong Act

On September 21, 2026, the Government of Canada introduced Bill C-39, the *Building Canada Strong Act*, legislation intended to accelerate the development of major infrastructure and energy projects by streamlining federal review and permitting processes. The proposed legislation would establish a target of completing federal reviews and project decisions within one year following submission of a complete application and includes measures intended to improve regulatory coordination, reduce duplication, and provide greater certainty for project proponents and investors. The legislation also proposes reforms affecting federal impact assessments, energy and transportation infrastructure approvals, Indigenous consultation processes, and major trade corridor development. If enacted, the proposed changes may support more efficient development of utility, transmission, energy, transportation, and infrastructure projects across Canada.

ALBERTA

Carbon Capture Development and Pathways Agreement

On July 13, 2026, the governments of Canada and Alberta, together with members of the Oil Sands Alliance, entered into an agreement to advance the Pathways Project, a large-scale carbon capture and storage initiative intended to reduce emissions from Alberta's oil sands operations. The agreement includes commitments to support carbon capture and storage development through investment incentives, including the finalization and extension of the Alberta Carbon Capture Incentive Program, the extension of federal carbon capture investment tax credits, and carbon sequestration arrangements for the Pathways Project. The agreement also includes commitments to advance industrial decarbonization, enhance carbon market certainty, and review regulatory and policy frameworks intended to support investment, emissions reductions, and major-project development. Governments identified carbon capture and storage as a key component of Alberta's long-term emissions reduction strategy while supporting economic growth and competitiveness.

Electricity Market and Transmission Reforms

During the third quarter of 2026, the AESO continued implementation of Alberta's electricity market and transmission reforms, including the Restructured Energy Market and Optimal Transmission Planning (OTP) initiatives. In September 2026, the AESO initiated stakeholder consultation on proposed ISO rules supporting OTP, which implements Alberta's transition to a cost-benefit-based approach for transmission planning and development. The framework is intended to support affordability while ensuring efficient investment in transmission infrastructure.

Alberta-Saskatchewan-Northwest Territories (NWT) Energy Cooperation

During the third quarter of 2026, the governments of Alberta, Saskatchewan, and the NWT expanded their existing collaboration on energy development through a memorandum of understanding focused on nuclear technologies, including small modular reactors and microreactors. The agreement also supports continued cooperation on workforce development, supply chains, energy security, and long-term electricity infrastructure planning. The agreement builds on previous interjurisdictional collaboration among western Canadian governments and reflects ongoing efforts to evaluate technologies and infrastructure that could support future energy needs, reliability objectives, and economic development.

Transmission Incumbency Policy

On October 2, 2026, the Government of Alberta released the Incumbency Treatment Policy as part of its broader electricity framework reforms. The policy provides direction regarding the future treatment of incumbent transmission facility owners and establishes principles intended to support the transition to Alberta's evolving transmission planning and development framework. The policy is being implemented through the AESO's electricity market and transmission reform initiatives, including OTP. The policy may influence the development, ownership, and procurement of future transmission infrastructure projects in Alberta. ATCO continues to monitor implementation activities and assess potential implications for transmission investment opportunities and the province's evolving electricity framework.

OTHER RECENT EVENTS

We monitor broader industry and government developments that may influence existing or planned projects in the communities in which we operate. The following are examples of recent events that are relevant to our existing businesses and potential future growth opportunities.

LNG CANADA PHASE 2

In September 2026, the LNG Canada joint venture participants announced a final investment decision on Phase 2 of the LNG Canada export facility in Kitimat, British Columbia. Phase 2 will add two liquified natural gas (LNG) trains, doubling the facility's capacity from 14 million tonnes per annum to 28 million tonnes per annum, with commercial operations expected in the early 2030s. Phase 2 will also require an expansion of the Coastal GasLink pipeline. The growth of LNG exports is expected to increase demand for natural gas infrastructure in Western Canada, including natural gas transmission and natural gas and natural gas liquids storage.

MAJOR PROJECTS OFFICE

On June 26, 2026, the Government of Canada referred its Transmission InterConnect Investment Strategy to the federal Major Projects Office to identify high-priority interprovincial transmission projects and potential financing solutions. The five priority projects identified include the restoration of the Alberta-British Columbia Intertie and the upgrade of the Alberta-Saskatchewan intertie, which are expected to add approximately 400 megawatts of combined trade capacity. Stronger interprovincial connections are expected to improve grid reliability and support electricity trade between provinces.

The Grays Bay Road and Port Project, developed by West Kitikmeot Resources Corp., in which ATCO is investing for a 40 per cent ownership interest, has been referred to the Major Projects Office, with a decision on its potential listing under the Building Canada Act expected by the end of 2026.

OTHER EXPENSES AND INCOME

A financial summary of other consolidated expenses and income items for the third quarter and first nine months of 2026 and 2025 is given below. These amounts are presented in accordance with IFRS Accounting Standards. They have not been adjusted for the timing of revenues and expenses associated with rate-regulated activities and other items that are not in the normal course of business.

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
Operating costs	**816**	687	129	**2,348**	2,146	202
Depreciation, amortization and impairments	**235**	213	22	**680**	633	47
Earnings from investment in associate company	**5**	8	(3)	**18**	23	(5)
Earnings from investment in joint ventures	**18**	19	(1)	**60**	59	1
Net finance costs	**131**	123	8	**390**	359	31
Income tax expense	**34**	43	(9)	**164**	152	12

OPERATING COSTS

Operating costs, which are total costs and expenses less depreciation, amortization and impairments, increased by $129 million and $202 million in the third quarter and first nine months of 2026 compared to the same periods in 2025. Increased operating costs were mainly due to increased material costs due to higher project activity in ATCO Structures, and the recognition of a past service cost adjustment related to the Company's other post-employment benefit obligation resulting from the Government of Alberta's *Health Statutes Amendment Act, 2025 (No. 2)* (Bill 11), which changes the coordination of benefits between employer-sponsored health plans and certain provincial health programs. Operating costs were also higher due to higher flow-through costs in ATCO Energy Systems, including purchased power expenses in ATCO Electric Yukon and third-party franchise fees in Natural Gas Distribution, as well as increased maintenance in ATCO Energy Systems' businesses. Increased operating costs were partially offset by higher unrealized and realized gains on derivative financial instruments in ATCO Energy, and nonrecurring costs incurred in 2025 associated with restructuring activities and transition costs related to activities to shift the managed IT services from a single-vendor service provider to a hybrid model of multiple new vendors and internal teams.

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

Depreciation, amortization, and impairments increased by $22 million and $47 million in the third quarter and first nine months of 2026 compared to the same periods in 2025 mainly due to ongoing capital investments in the Regulated Utilities, and an increase in global space rentals fleet assets in ATCO Structures. Also, in the third quarter of 2026, ATCO Investments exited its packaged food services and geospatial data services businesses resulting in the recognition of a $9 million (after-tax) charge related to assets that no longer have any economic value and related exit costs.

EARNINGS FROM INVESTMENT IN ASSOCIATE COMPANY

Earnings from investment in associate company relate to our 40 per cent ownership interest in Neltume Ports, a port operator and developer with a diversified portfolio of 17 multi-purpose, bulk cargo and container port facilities and 6 port operation services. The business is located primarily in Chile with additional operations in Uruguay, Argentina, Brazil, Guatemala, and the US.

Earnings from investment in associate company in the third quarter and first nine months of 2026 were $3 million and $5 million lower than the same periods in 2025 mainly due to changes in cargo mix and operating margins, timing of certain activities, and an additional nonrecurring service which contributed approximately $2 million to adjusted earnings in the third quarter of 2025.

EARNINGS FROM INVESTMENT IN JOINT VENTURES

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

Earnings from investment in joint ventures in the third quarter and first nine months of 2026 were comparable to the same periods in 2025.

NET FINANCE COSTS

Net finance costs increased by $8 million and $31 million in the third quarter and first nine months of 2026 compared to the same periods in 2025 mainly due to additional debt issued to fund ongoing capital investment.

INCOME TAX EXPENSE

Income taxes decreased by $9 million in the third quarter of 2026 compared to the same period in 2025 mainly due to recognition of previously unrecognized deferred income taxes and lower IFRS earnings before income taxes.

Income taxes increased by $12 million in the first nine months of 2026 compared to the same period in 2025 mainly due to higher IFRS earnings before income taxes and lower investment tax credits, partially offset by the recognition of previously unrecognized deferred income taxes.

LIQUIDITY AND CAPITAL RESOURCES

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

CREDIT RATINGS

The following table shows the credit ratings assigned to ATCO, Canadian Utilities, CU Inc. and ATCO Gas Australia Pty Ltd (ATCO Gas Australia) at September 30, 2026.

	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 negative outlook as of October 7, 2026.		

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

Following the October 6, 2026 announcement regarding the transaction involving ATCO, Canadian Utilities, and Emera, several credit rating agencies issued reports reflecting their initial assessments of the transaction.

On October 6, 2026, Fitch Ratings affirmed its 'BBB+' long-term issuer credit rating on ATCO Ltd. and its 'A-' long-term issuer credit rating on Canadian Utilities Limited, but placed both ratings on watch negative as Fitch expects to equalize ATCO's and Canadian Utilities' ratings with Emera's upon closing of the transaction. At the same time, Fitch Ratings affirmed CU Inc.'s 'A-' long-term issuer rating with a stable outlook. CU Inc.'s stable outlook reflects Fitch's expectation that CU Inc.'s rating will remain above Emera's consolidated credit profile.

On October 7, 2026, S&P Global Ratings revised Canadian Utilities' subsidiary ATCO Gas Australia's 'A-' issuer credit rating with a stable outlook to an 'A-' issuer credit rating with a negative outlook.

On October 8, 2026, Morningstar DBRS placed ATCO's 'A (low)' and Canadian Utilities' 'A' issuer credit ratings under review with developing implications to reflect uncertainty on ATCO's and Canadian Utilities' overall credit risk profiles created by the transaction with Emera. At the same time, Morningstar DBRS affirmed its 'A (high)' long-term issuer credit rating and stable outlook on CU Inc., noting it does not expect the transaction with Emera will have a material impact on CU Inc.'s credit risk profile.

LINES OF CREDIT

At September 30, 2026, ATCO and its subsidiaries had the following lines of credit.

($ millions)	Total	Used	Available
Long-term committed	**3,760**	1,266	2,494
Short-term committed	**99**	—	99
Uncommitted	**743**	223	520
Total	**4,602**	1,489	3,113

Of the $4,602 million in total lines of credit, $743 million was in the form of uncommitted credit facilities with no set maturity date. The other $3,859 million in credit lines was committed with maturities between 2027 and 2031, and may be extended at the option of the lenders.

Of the $1,489 million in lines of credit used, $738 million was related to ATCO Gas Australia. Long-term committed credit lines are used to satisfy all of ATCO Gas Australia's term debt financing needs. The majority of the remaining usage is related to the funding needs in ATCO EnPower and CU Inc., the issuance of Canadian Utilities' letters of credit, and ATCO Structures & Logistics' expansion of its global rental fleet and working capital needs on workforce housing projects.

CONSOLIDATED CASH FLOWS

At September 30, 2026, the Company's cash position was $542 million. This represents a decrease of $360 million compared to the cash position as of September 30, 2025. Cash movements for the third quarter and first nine months of 2026 and 2025 are outlined in the following table:

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	2026	2025	Change	2026	2025	Change
Cash position, beginning of period	**610**	191	419	**977**	94	883
Cash from (used in):						
Operating activities	**635**	552	83	**2,043**	1,822	221
Investing activities	**(580)**	(462)	(118)	**(1,455)**	(1,339)	(116)
Financing activities	**(127)**	619	(746)	**(1,024)**	319	(1,343)
Foreign currency translation	**4**	2	2	**1**	6	(5)
Cash position, end of the period	**542**	902	(360)	**542**	902	(360)

The opening cash position of $610 million and $977 million in the third quarter and first nine months of 2026 was $419 million and $883 million higher compared to the opening cash position for the same periods in 2025 mainly due to increased issuance of long-term debt and Canadian Utilities' equity preferred shares related to growth projects for new customers in the Regulated Utilities, partially offset by redemption of equity preferred shares.

Operating Activities

Cash flows from operating activities were $635 million in the third quarter of 2026, $83 million higher than the same period in 2025. This increase was mainly due to higher earnings, excluding the impact of non-cash items, across most business units and higher customer contributions, partially offset by the timing of working capital.

Cash flows from operating activities were $2,043 million in the first nine months of 2026, $221 million higher than the same period in 2025. This increase was mainly due to higher earnings, excluding the impact of non-cash items, across most business units, higher customer contributions, and lower income taxes paid in Natural Gas Distribution mainly due to prior year tax refunds received. Increases were partially offset by the timing of working capital.

Investing Activities

Cash flows used in investing activities were $580 million and $1,455 million in the third quarter and first nine months of 2026, $118 million and $116 million higher than the same periods in 2025 mainly due to higher capital spending in the Regulated Utilities, including the Yellowhead Pipeline in Natural Gas Transmission, partially offset by the timing of settlements related to accounts payable for capital projects in the Regulated Utilities and ATCO EnPower.

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

Cash Used for Capital Investment and Capital Expenditures

Capital investment and capital expenditures for the third quarter and first nine months of 2026 and 2025 are shown in the following table.

	Three Months Ended September 30			Nine Months Ended September 30		
($ millions)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
ATCO Structures & Logistics	**59**	57	2	**172**	160	12
ATCO Investments	**13**	8	5	**48**	22	26
	72	65	7	**220**	182	38
Canadian Utilities						
ATCO Energy Systems						
Electricity	**182**	170	12	**479**	507	(28)
Natural Gas	**412**	188	224	**791**	534	257
	594	358	236	**1,270**	1,041	229
ATCO EnPower	**33**	17	16	**63**	62	1
ATCO Australia	**26**	25	1	**75**	70	5
CU Financing & Other	**—**	2	(2)	**1**	12	(11)
Canadian Utilities Total Capital Expenditures [(1) (2)]	**653**	402	251	**1,409**	1,185	224
ATCO Total Capital Expenditures	**725**	467	258	**1,629**	1,367	262
Capital Expenditures in joint ventures						
ATCO Energy Systems						
Electricity	**1**	1	—	**2**	2	—
ATCO EnPower	**2**	2	—	**5**	4	1
Business Combinations						
ATCO Structures & Logistics	**—**	—	—	**—**	3	(3)
Canadian Utilities Total Capital Investment [(3)]	**656**	405	251	**1,416**	1,191	225
ATCO Total Capital Investment [(3)]	**728**	470	258	**1,636**	1,376	260

(1) Includes additions to property, plant and equipment, and intangibles as well as $9 million and $29 million (2025 - $10 million and $23 million) of capitalized interest during construction for the third quarter and first nine months of 2026.

(2) Includes $41 million and $111 million for the third quarter and first nine months of 2026 (2025 - $29 million and $97 million) of capital expenditures, mainly in ATCO Energy Systems, that were funded with the assistance of customer contributions.

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

Total capital investment of $728 million and $1,636 million in the third quarter and first nine months of 2026 was $258 million and $260 million higher compared to the same periods in 2025 mainly due to increased spending related to ongoing system upgrades and growth projects in the Regulated Utilities, including Yellowhead Pipeline in Natural Gas Transmission, and increased capital spending in ATCO Structures on space rentals fleet additions. Higher capital investment was partially offset by the completion of the Central East Transfer-Out Project in Electricity Transmission and lower capital maintenance spending in Electricity Distribution.

Total capital expenditures of $725 million and $1,629 million in the third quarter and first nine months of 2026 were $258 million and $262 million higher compared to the same periods in 2025 mainly due to the factors outlined above. Capital expenditures in joint ventures and business combinations are excluded from capital expenditures.

Financing Activities

Cash flows used in financing activities were $127 million and $1,024 million in the third quarter and first nine months of 2026, $746 million and $1,343 million higher compared to the same periods in 2025 mainly due to lower issuances of long-term debt, as ATCO, Canadian Utilities, and CU Inc. issued debentures in 2025, partially offset by lower repayment of long-term debt.

Information pertaining to financing activities is summarized below.

Other Debt

In the third quarter and first nine months of 2026, CU Inc., a wholly owned subsidiary of Canadian Utilities, borrowed $135 million and $135 million, respectively, from its unsecured extendible revolving credit facility (2025 – $35 million and $275 million).

Project Finance Covenant

At September 30, 2026, Deerfoot Barlow Solar Limited Partnership, an indirect subsidiary of Canadian Utilities in ATCO EnPower, was not in compliance with a debt service coverage ratio covenant on its $53 million credit facility. The lender provided waivers and deferred the September 30, 2026 debt payment while a potential restructuring is discussed. As a waiver has not been confirmed through September 30, 2027, the facility is classified as a current liability.

Dividends and Common Shares

We have increased our common share dividend each year since 1993, a 33-year track record. Dividends paid to Class I Share and Class II Share owners totalled $59 million and $176 million in the third quarter and first nine months of 2026.

On October 8, 2026, the Board of Directors declared a fourth quarter dividend of 51.96 cents per share. The payment of any dividend is at the discretion of the Board of Directors and depends on our financial condition and other factors.

Normal Course Issuer Bid (NCIB)

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

On March 13, 2026, ATCO commenced an NCIB to purchase up to 2,017,264 outstanding Class I Shares. The bid will expire on March 12, 2027. To date, no shares have been purchased.

SHARE CAPITAL

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

At November 4, 2026, we had outstanding 101,012,417 Class I Shares, 11,542,320 Class II Shares, and options to purchase 2,833,591 Class I Shares.

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, 6,572,450 Class I Shares were available for issuance at September 30, 2026. Options may be granted to officers and key employees of the Company and its subsidiaries at an exercise price equal to the weighted average of the trading price of the shares on the Toronto Stock Exchange for the five trading days immediately preceding the grant date. The vesting provisions and exercise period (which cannot exceed 10 years) are determined at the time of grant.

QUARTERLY INFORMATION

The following table shows financial information for the eight quarters ended December 31, 2024 through September 30, 2026.

($ millions, except for per share data)	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Revenues	1,390	1,426	1,319	**1,335**
Earnings (loss) attributable to Class I and Class II Shares	(143)	152	88	**83**
Earnings (loss) per Class I and Class II Share *($)*	(1.27)	1.35	0.78	**0.74**
Diluted earnings (loss) per Class I and Class II Share *($)*	(1.27)	1.34	0.78	**0.73**
Adjusted earnings per Class I and Class II Share *($)* [1]	1.37	1.47	1.01	**1.00**
Adjusted earnings (loss) [2]				
ATCO Structures & Logistics [2]	30	28	35	**40**
ATCO Investments [2]	22	10	5	**12**
Canadian Utilities [2]				
ATCO Energy Systems [2]	102	129	64	**54**
ATCO EnPower [2]	2	6	8	**8**
ATCO Australia [2]	4	11	18	**15**
Canadian Utilities Financing & Other [2]	(6)	(19)	(16)	**(17)**
Total adjusted earnings [2]	154	165	114	**112**

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

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

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

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

ADJUSTED EARNINGS

Adjusted earnings in the fourth quarter of 2025 were higher than the same period in 2024 mainly due to ATCO Structures' increased sale and leasing activity in Canada and the US, permanent modular construction activity in the US, and favourable cargo mix and improved margins across operations within Neltume Ports' portfolio. Higher adjusted earnings were also due to growth in rate base in ATCO Energy Systems' businesses, and higher customer rates in ATCO Gas Australia as a result of moving into AA6. Higher earnings were partially offset by a decrease in 2025 return on equity in ATCO Energy Systems, and the completion of efficiency carryover mechanism funding in 2024 for Electricity Distribution and Natural Gas Distribution. Additionally, higher earnings were partially offset by higher net finance costs.

Adjusted earnings in the first quarter of 2026 were higher than the same period in 2025 mainly due to increased adjusted earnings in ATCO Energy Systems driven by growth in rate base and lower income tax expense resulting from the March 2026 enactment of Bill C-15. Higher adjusted earnings were also due to the impact of inflation indexing on rate base and increased customer rates in ATCO Gas Australia, and ATCO Structures' earnings from the Stibnite Gold project and increased space rentals activity. Partially offsetting these increases in adjusted earnings were higher net interest expense and higher share-based compensation expense in both ATCO Corporate & Other and Canadian Utilities Financing & Other.

Adjusted earnings in the second quarter of 2026 were higher than the same period in 2025 mainly due to increased space rentals activity and earnings from the Stibnite Gold project in ATCO Structures, and the impact of inflation indexing on rate base and increased customer rates in ATCO Gas Australia. Higher adjusted earnings were also due to growth in rate base in ATCO Energy Systems' businesses, and year-to-date recognition of final 2026 rates in Electricity Transmission following the AUC's decision in the second quarter of 2026 approving the NSA relating to the 2026-2027 GTA.

Adjusted earnings in the third quarter of 2026 were higher than the same period in 2025 mainly due to increased space rentals leasing activity and earnings from the Stibnite Gold project in ATCO Structures, the impact of inflation indexing on rate base and increased customer rates in ATCO Gas Australia, and growth in rate base in ATCO Energy Systems' businesses. Higher adjusted earnings were partially offset by changes in cargo mix and operating margins as well as the timing of certain activities in Neltume Ports, and the timing of cost efficiencies in Electricity Distribution and Natural Gas Distribution.

EARNINGS ATTRIBUTABLE TO CLASS I AND CLASS II SHARES

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

- In the fourth quarter of 2024 and first quarter of 2025, the Company recorded restructuring costs of $4 million (after-tax and non-controlling interests) and $8 million (after-tax and non-controlling interests), respectively, mainly related to staff reductions and associated severance costs. Restructuring costs incurred in 2025 were a continuation of restructuring activities commenced in 2024.
- In each of the four quarters of 2025, the Company recognized IT transition costs of $5 million (after-tax and non-controlling interests), $3 million (after-tax and non-controlling interests), $1 million (after-tax and non-controlling interests) and $2 million (after-tax and non-controlling interests), respectively. The transition activities commenced on January 1, 2025 and were substantially complete in the fourth quarter of 2025. The transition costs were primarily related to activities to shift the managed IT services from a single-vendor service provider to a hybrid model of multiple new vendors and internal teams.
- In the fourth quarter of 2025, the Company recognized asset impairments and write-offs of $253 million (after-tax and non-controlling interests) mainly related to the Alberta Renewables Portfolio in ATCO EnPower that was primarily driven by elevated curtailment from inadequate transmission infrastructure and electricity grid deficiencies, and certain hydrogen assets in Natural Gas Distribution which were impaired due to the uncertainty of utility hydrogen regulations. In addition, ATCO Gas Australia recognized an impairment related to the phasing out of an aging liquefied petroleum gas distribution network in Albany, Western Australia due to large sections of the system nearing the end of their service life.
- In the third quarter of 2026, following the ABCA decision upholding the AUC's PBR2 re-opener and PBR2 remedy decisions, $30 million (after-tax and non-controlling interests) of directed refunds to Electricity Distribution and Natural Gas Distribution customers over the period September 1, 2025 to February 28, 2026 were determined to be non-recoverable, with the related financial impact reflected in rate-regulated activities.
- In the third quarter of 2026, the Company recognized a $18 million (after-tax and non-controlling interests) past service cost adjustment related to its other post-employment benefit obligation resulting from the Government of Alberta's *Health Statutes Amendment Act, 2025 (No. 2)* (Bill 11), which changes the coordination of benefits between employer-sponsored health plans and certain provincial health programs.
- In the third quarter of 2026, ATCO Investments exited its packaged food services and geospatial data services businesses resulting in the recognition of a $9 million (after-tax) charge related to assets that no longer have any economic value and related exit costs.

OTHER FINANCIAL AND NON-GAAP MEASURES

This MD&A should be read with the Company's unaudited interim consolidated financial statements for the nine months ended September 30, 2026. The unaudited interim consolidated financial statements are prepared according to International Accounting Standard (IAS) 34, *Interim Financial Reporting,* using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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

TOTAL OF SEGMENTS MEASURES

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

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

Total of segments measures are most directly comparable to total earnings (loss) attributable to Class I and Class II Shares. Comparable total of segments measures for the same periods in 2025 have been calculated using the same composition and are disclosed alongside the current total of segments measures in this MD&A. A reconciliation of the total of segments measures with total earnings (loss) attributable to Class I and Class II Shares is presented in this MD&A.

NON-GAAP FINANCIAL MEASURES

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

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

Adjusted Earnings

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

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

Adjusted earnings (loss) are most directly comparable to earnings (loss) attributable to Class I and Class II Shares. Adjusted earnings (loss) is not a standardized financial measure under the reporting framework used to prepare our financial statements. Adjusted earnings (loss) may not be comparable to similar financial measures disclosed by other issuers. Management's view is that adjusted earnings (loss) are a key measure of segment earnings (loss) that are used to assess

segment performance and allocate resources and allow for a more effective analysis of operating performance and trends. For investors, adjusted earnings (loss) may provide value as they exclude items that are not in the normal course of business and, as such, provide insight as to earnings (loss) resulting from the issuer's usual course of business. For further information, a "Reconciliation of Adjusted Earnings to Earnings attributable to Class I and Class II Shares" is presented in this MD&A.

Capital Investment

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

Adjusted EBITDA

Further information regarding adjusted EBITDA, including a reconciliation of adjusted EBITDA to adjusted earnings for each of ATCO Structures and ATCO EnPower (inclusive of Electricity Generation and Storage & Industrial Water) is presented in Appendix 1: Supplemental Non-Audited Financial Information to this MD&A.

NON-GAAP RATIO

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

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

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

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

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

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

($ millions)

Three Months Ended September 30

2026 2025	**ATCO Ltd.**							**ATCO Total**
			Canadian Utilities Limited					
	ATCO Structures & Logistics	**ATCO Investments**	**ATCO Energy Systems**	**ATCO EnPower**	**ATCO Australia**	**CU Financing & Other**	**Total**	
Revenues	**384**	**49**	**747**	**70**	**81**	**4**	**902**	**1,335**
	337	55	663	59	68	2	792	1,184
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

($ millions)

Nine Months Ended September 30

2026 2025	**ATCO Ltd.**							**ATCO Total**
			Canadian Utilities Limited					
	ATCO Structures & Logistics	**ATCO Investments**	**ATCO Energy Systems**	**ATCO EnPower**	**ATCO Australia**	**CU Financing & Other**	**Total**	
Revenues	**1,058**	**122**	**2,427**	**245**	**218**	**10**	**2,900**	**4,080**
	901	133	2,297	228	185	9	2,719	3,753
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

SECOND GENERATION PERFORMANCE BASED REGULATION (PBR2) RE-OPENER APPEAL DECISION

In May 2025, the 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) for Electricity Distribution and $15 million (after-tax and non-controlling interests) for Natural 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 non-controlling interests) 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)
Additional revenues billed in current period	Future removal and site restoration costs, and impact of colder temperatures.	The Company defers the recognition of cash received in advance of future expenditures.	The Company recognizes revenues when amounts are billed to customers and costs when they are incurred.
Revenues to be billed in future periods	Deferred income taxes, impact of warmer temperatures, and impact of inflation on rate base.	The Company recognizes revenues associated with recoverable costs in advance of future billings to customers.	The Company recognizes costs when they are incurred, but does not recognize their recovery until customer rates are changed and amounts are collected through future billings.
Regulatory decisions received	Regulatory decisions received which relate to current and prior periods.	The Company recognizes the earnings 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.
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.

For the third quarter and first nine months of 2026 and 2025, 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		
($ millions)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
Additional revenues billed in current period						
Future removal and site restoration costs [1]	**11**	19	(8)	**51**	53	(2)
Revenues to be billed in future periods						
Deferred income taxes [2]	**(20)**	(19)	(1)	**(68)**	(55)	(13)
Impact of warmer temperatures [3]	**(1)**	(3)	2	**(5)**	(7)	2
Impact of inflation on rate base [4]	**(6)**	(3)	(3)	**(18)**	(9)	(9)
Settlement of regulatory decisions and other items						
PBR2 re-opener proceeding refund to customers [5]	**—**	(4)	4	**(11)**	(4)	(7)
PBR2 re-opener appeal decision [6]	**30**	—	30	**30**	—	30
Other [7]	**12**	(3)	15	**12**	—	12
	26	(13)	39	**(9)**	(22)	13

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

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

(3) Natural Gas Distribution's customer rates are based on a forecast of normal temperatures. Fluctuations in temperatures may result in more or less revenue being recovered from customers than forecast. Revenues above or below 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 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, Electricity Distribution and Natural Gas Distribution refunded $5 million (after-tax and non-controlling interests) and $6 million (after-tax and non-controlling interests), respectively, to customers for the nine months ended September 30, 2026 (2025 - $2 million (after-tax and non-controlling interests) and $2 million (after-tax and non-controlling interests)). Combined with the amounts refunded to customers for the year ended December 31, 2025, Electricity Distribution and Natural 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 non-controlling interests) ($35 million before tax and non-controlling interests) for Electricity Distribution and $15 million (after-tax and non-controlling interests) ($36 million before tax and non-controlling interests) for Natural 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 non-controlling interests) previously refunded to customers is no longer considered recoverable, resulting in a $30 million (after-tax and non-controlling interests) 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 non-controlling interests) 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 amounts excluded from adjusted earnings in the third quarter and first nine months of 2026 were nil and $2 million (after-tax and non-controlling interests) (2025 - $1 million (after-tax and non-controlling interests) and $2 million (after-tax and non-controlling interests)).

TRANSITION OF MANAGED IT SERVICES

In the third quarter and first nine months of 2025, the Company recognized IT transition costs of $1 million and $9 million (after-tax and non-controlling interests). 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 completed in the fourth quarter of 2025. As these costs were not in the normal course of business, they were excluded from adjusted earnings.

RESTRUCTURING

In the first nine months of 2025, the Company recorded restructuring costs of $8 million (after-tax and non-controlling interests) 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.

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

ATCO Structures & Logistics

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

($ millions)	Three Months Ended September 30		
2026	ATCO Ltd.		
2025	Structures	Frontec	ATCO Structures & Logistics
Adjusted earnings	**34**	**6**	**40**
	30	2	32
Other post-employment benefits	**(1)**	**—**	**(1)**
	—	—	—
Earnings attributable to Class I and Class II Shares	**33**	**6**	**39**
	30	2	32

($ millions)	Nine Months Ended September 30		
2026	**ATCO Ltd.**		
2025			
	Structures	**Frontec**	**ATCO Structures & Logistics**
Adjusted earnings	**97**	**6**	**103**
	88	3	91
Other post-employment benefits	**(1)**	**—**	**(1)**
	—	—	—
Transition of managed IT services	**—**	**—**	**—**
	(1)	—	(1)
Earnings attributable to Class I and Class II Shares	**96**	**6**	**102**
	87	3	90

ATCO Investments

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

($ millions)	Three Months Ended September 30				
2026	**ATCO Ltd.**				
2025	**Investments**				**ATCO Investments**
	Neltume Ports	**Other Investments**	**Total Investments**	**ATCO Corporate & Other**	
Adjusted earnings (loss)	**5**	**6**	**11**	**1**	**12**
	10	4	14	(1)	13
Impairments	**—**	**—**	**—**	**(9)**	**(9)**
	—	—	—	—	—
Unrealized gains (losses) on mark-to-market forward and swap commodity contracts	**—**	**3**	**3**	**—**	**3**
	—	(1)	(1)	—	(1)
Other	**—**	**—**	**—**	**—**	**—**
	(2)	—	(2)	—	(2)
Earnings (loss) attributable to Class I and Class II Shares	**5**	**9**	**14**	**(8)**	**6**
	8	3	11	(1)	10

($ millions)

	Nine Months Ended September 30				
2026	**ATCO Ltd.**				
2025	**Investments**				**ATCO Investments**
	Neltume Ports	**Other Investments**	**Total Investments**	**ATCO Corporate & Other**	
Adjusted earnings (loss)	**18**	**19**	**37**	**(10)**	**27**
	25	14	39	(9)	30
Impairments	**—**	**—**	**—**	**(9)**	**(9)**
	—	—	—	—	—
Unrealized gains (losses) on mark-to-market forward and swap commodity contracts	**—**	**1**	**1**	**—**	**1**
	—	(27)	(27)	—	(27)
Transition of managed IT services	**—**	**—**	**—**	**—**	**—**
	—	(1)	(1)	—	(1)
Restructuring	**—**	**—**	**—**	**—**	**—**
	—	—	—	(1)	(1)
Other	**—**	**—**	**—**	**—**	**—**
	(2)	—	(2)	—	(2)
Earnings (loss) attributable to Class I and Class II Shares	**18**	**20**	**38**	**(19)**	**19**
	23	(14)	9	(10)	(1)

ATCO Energy Systems

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

($ millions)

	Three Months Ended September 30							
2026	**Canadian Utilities Limited**							
2025	**Electricity**				**Natural Gas**			**ATCO Energy Systems**
	Electricity Distribution	**Electricity Transmission**	**International Electricity Operations**	**Total Electricity**	**Natural Gas Distribution**	**Natural Gas Transmission**	**Total Natural Gas**	
Adjusted earnings (loss)	**19**	**25**	**8**	**52**	**(17)**	**19**	**2**	**54**
	21	23	8	52	(14)	15	1	53
PBR2 re-opener appeal decision	**(15)**	**—**	**—**	**(15)**	**(15)**	**—**	**(15)**	**(30)**
	—	—	—	—	—	—	—	—
Other post-employment benefits	**(3)**	**(2)**	**—**	**(5)**	**(7)**	**(1)**	**(8)**	**(13)**
	—	—	—	—	—	—	—	—
Rate-regulated activities	**8**	**(8)**	**—**	**—**	**26**	**8**	**34**	**34**
	(4)	(2)	—	(6)	(1)	(1)	(2)	(8)
IT Common Matters decision	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	—	(1)	—	(1)	—	—	—	(1)
Transition of managed IT services	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	—	—	—	—	(1)	—	(1)	(1)
Earnings (loss) attributable to Class I and Class II Shares	**9**	**15**	**8**	**32**	**(13)**	**26**	**13**	**45**
	17	20	8	45	(16)	14	(2)	43

($ millions)

Nine Months Ended September 30

	Canadian Utilities Limited							
	Electricity				Natural Gas			ATCO Energy Systems
	Electricity Distribution	Electricity Transmission	International Electricity Operations	Total Electricity	Natural Gas Distribution	Natural Gas Transmission	Total Natural Gas	
2026								
2025								
Adjusted earnings	**61**	**75**	**23**	**159**	**39**	**49**	**88**	**247**
	62	70	23	155	37	43	80	235
PBR2 re-opener appeal decision	**(15)**	**—**	**—**	**(15)**	**(15)**	**—**	**(15)**	**(30)**
	—	—	—	—	—	—	—	—
Other post-employment benefits	**(3)**	**(2)**	**—**	**(5)**	**(7)**	**(1)**	**(8)**	**(13)**
	—	—	—	—	—	—	—	—
Rate-regulated activities	**(7)**	**(18)**	**—**	**(25)**	**38**	**2**	**40**	**15**
	(9)	(7)	—	(16)	13	(4)	9	(7)
IT Common Matters decision	**(1)**	**—**	**—**	**(1)**	**(1)**	**—**	**(1)**	**(2)**
	(1)	(1)	—	(2)	—	—	—	(2)
Transition of managed IT services	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	(2)	—	—	(2)	(4)	—	(4)	(6)
Restructuring	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	(2)	(1)	—	(3)	(1)	(1)	(2)	(5)
Earnings attributable to Class I and Class II Shares	**35**	**55**	**23**	**113**	**54**	**50**	**104**	**217**
	48	61	23	132	45	38	83	215

ATCO EnPower

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

($ millions)

Three Months Ended September 30

	Canadian Utilities Limited		
	Electricity Generation	Storage & Industrial Water	ATCO EnPower
2026			
2025			
Adjusted earnings	**—**	**8**	**8**
	2	7	9
Other post-employment benefits	**—**	**(2)**	**(2)**
	—	—	—
Other	**(1)**	**—**	**(1)**	
	—	—	—
Earnings (loss) attributable to Class I and Class II Shares	**(1)**	**6**	**5**
	2	7	9

($ millions)	Nine Months Ended September 30		
2026	**Canadian Utilities Limited**		
2025			
	Electricity Generation	**Storage & Industrial Water**	**ATCO EnPower**
Adjusted earnings (loss)	**(3)**	**25**	**22**
	(1)	22	21
Other post-employment benefits	**—**	**(2)**	**(2)**
	—	—	—
Transition of managed IT services	**—**	**—**	**—**
	—	(1)	(1)
Restructuring	**—**	**—**	**—**
	—	(1)	(1)
Other	**(1)**	**—**	**(1)**
	(1)	—	(1)
Earnings (loss) attributable to Class I and Class II Shares	**(4)**	**23**	**19**
	(2)	20	18

ATCO Australia

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

($ millions)	Three Months Ended September 30		
2026	**Canadian Utilities Limited**		
2025			
	ATCO Gas Australia	**ATCO Power Australia**	**ATCO Australia**
Adjusted earnings (loss)	**16**	**(1)**	**15**
	12	2	14
Rate-regulated activities	**(8)**	**—**	**(8)**
	(5)	—	(5)
Earnings (loss) attributable to Class I and Class II Shares	**8**	**(1)**	**7**
	7	2	9

($ millions)	Nine Months Ended September 30		
2026 2025	Canadian Utilities Limited		
	ATCO Gas Australia	ATCO Power Australia	ATCO Australia
Adjusted earnings	**43**	**1**	**44**
	28	4	32
Rate-regulated activities	**(24)**	**—**	**(24)**
	(15)	—	(15)
Restructuring	**—**	**—**	**—**
	(1)	—	(1)
Earnings attributable to Class I and Class II Shares	**19**	**1**	**20**
	12	4	16

RECONCILIATION OF CAPITAL INVESTMENT TO CAPITAL EXPENDITURES

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

($ millions)	Three Months Ended September 30							
2026 2025	ATCO Ltd.							ATCO Total
			Canadian Utilities Limited					
	ATCO Structures & Logistics	ATCO Investments	ATCO Energy Systems	ATCO EnPower	ATCO Australia	CU Financing & Other	Total	
Capital Investment	**59**	**13**	**595**	**35**	**26**	**—**	**656**	**728**
	57	8	359	19	25	2	405	470
Capital expenditures in joint ventures	**—**	**—**	**(1)**	**(2)**	**—**	**—**	**(3)**	**(3)**
	—	—	(1)	(2)	—	—	(3)	(3)
Capital Expenditures	**59**	**13**	**594**	**33**	**26**	**—**	**653**	**725**
	57	8	358	17	25	2	402	467

($ millions)	Nine Months Ended September 30							
2026	ATCO Ltd.							ATCO Total
2025			Canadian Utilities Limited					
	ATCO Structures & Logistics	ATCO Investments	ATCO Energy Systems	ATCO EnPower	ATCO Australia	CU Financing & Other	Total	
Capital Investment	**172**	**48**	**1,272**	**68**	**75**	**1**	**1,416**	**1,636**
	163	22	1,043	66	70	12	1,191	1,376
Capital expenditures in joint ventures	**—**	**—**	**(2)**	**(5)**	**—**	**—**	**(7)**	**(7)**
	—	—	(2)	(4)	—	—	(6)	(6)
Business combination [1]	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	(3)	—	—	—	—	—	—	(3)
Capital Expenditures	**172**	**48**	**1,270**	**63**	**75**	**1**	**1,409**	**1,629**
	160	22	1,041	62	70	12	1,185	1,367

(1) The business combination refers to a working capital adjustment completed in the first quarter of 2025 related to ATCO Structures' third quarter 2024 acquisition of NRB Limited.

OTHER FINANCIAL INFORMATION

INTERNAL CONTROL OVER FINANCIAL REPORTING

The certification of interim filings for the interim period ended September 30, 2026 requires that the Company disclose in the interim MD&A any changes in the Company's internal controls over financial reporting (ICFR) that occurred during the period that have materially affected, or are reasonably likely to materially affect, the Company's ICFR. The Company confirms that no such changes were identified in the Company's ICFR during the three months beginning on July 1, 2026 and ending on September 30, 2026.

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.

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this MD&A includes, but is not limited to, references to: the agreement entered into between ATCO, Canadian Utilities and Emera to combine in a merger of equals and spin-off ATCO's industrial services businesses into a new public company (collectively, the "Transaction"), including the expected timing of closing of the Transaction and of the special meetings of each company's securityholders, the receipt of required approvals and the anticipated benefits of the Transaction to customers, employees, community partners and the respective shareholders of ATCO, Canadian Utilities and Emera; expectations regarding the spin-off of ATCO's industrial services businesses and New ATCO's strategic focus, market position, growth agenda, plans, prospects and opportunities; the expected size, scale, diversification, future financial performance, operating capacity and funding capabilities of the combined company; the combined company's capital expenditure plan, rate base, rate base growth, and number of customers; the respective aggregate shareholdings of the shareholders of Emera, Canadian Utilities and ATCO in the combined company and New ATCO following completion of the Transaction; and the leadership, governance and headquarters of the combined company and New ATCO; the Company's strategic plans and investment strategy; the payment of dividends and dividend growth; 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; the impact or benefits of contracts, including economic and other benefits for the Company and its partners and counterparties; the size, storage, building, generation or transmission capacity expected from business units, assets and projects; expectations regarding ATCO Structures' various projects, including the Stibnite Gold project and customer demand for turnkey modular camp solutions; expectations regarding ATCO Frontec's various projects, including the POTHR project and related field testing; the expected operational date for the soda ash bulk facility being developed at Terminal 2 within the Port of Vancouver, Washington; the anticipated size and specifications of the Yellowhead Pipeline, the anticipated capital spend on the Yellowhead Pipeline; the progress of construction on the Yellowhead Pipeline; expectations regarding the funding structure for the Yellowhead Pipeline, including sources of equity and debt funding (or pre-funding) for the project and potential Indigenous equity participation on the project; expectations regarding the Company's funding strategy for ATCO Energy Systems' regulated debt and equity requirements, including anticipated debenture issuances over the five year (2026-2030) capital expenditure plan, cash flow from operations, $0.7 billion financed in 2025, and an additional $0.8 billion in capital securities to be raised, and common equity not being required to fund the regulated utility growth; increased demand for natural gas transmission and natural gas and natural gas liquids storage and other natural gas infrastructure in Western Canada with the growth of LNG export expected in connection with Phase II of the LNG Canada export facility, with commercial operations expected in early 2030's; the expected impact of new and proposed legislation; the expected impact of IFRS Accounting Standards issued but not yet adopted, including IFRS 20 and IFRS 18; the expected timing and impact of policy and regulatory decisions and announcements; and the Company's liquidity, capital resources, contractual financial obligations and other commitments.

Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated in such forward-looking information. The forward-looking information reflects the Company's beliefs and assumptions with respect to, among other things: the ability of the parties to receive all necessary securityholder, court, regulatory and stock exchange approvals, and to satisfy the other conditions to closing of the Transaction, in a timely manner and on satisfactory terms; the ability of the parties to complete the Transaction substantially on the terms currently contemplated; that the combined company's future results of operations will be consistent with past performance and management's expectations; the parties ability to realize the anticipated benefits of the Transaction; the expected financial performance of the combined company, including rate base growth consistent with its capital expenditure plan; the ability of the combined company to maintain favourable credit ratings; the declaration of dividends consistent with Emera's dividend policy; the capital expenditure plans of Emera and Canadian Utilities proceeding substantially as currently anticipated; regulatory approvals to allow for the recovery of prudently incurred capital expenditures and to earn a fair return on investment; certain other regulatory applications being made and approved; the applicability and stability of legal and regulatory requirements in the jurisdictions in which we invest and/or operate; the payment of fees owing pursuant to applicable contracts; the growth of energy demand; inflation; the development and performance of technology and technological innovations and the ability to otherwise access and implement all technology necessary to achieve business objectives; continuing collaboration with certain business partners and engagement with new business partners, and regulatory and environmental groups; the performance of assets and equipment; demand levels for oil, natural gas, gasoline, diesel and other energy sources; certain levels of future energy use; future production rates; future revenue and earnings; the ability to meet current project schedules, and complete proposed development projects at currently estimated budgets; the availability of financing sources on acceptable terms; expected future borrowing costs and interest rates; 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: the parties ability to receive all necessary regulatory, court, securityholder and third-party approvals, and to satisfy the other conditions to closing of the Transaction, in a timely manner and on satisfactory terms; the failure to realize the anticipated benefits of the Transaction, including as a result of integration, separation or other issues; disruption from the Transaction making it more difficult to maintain relationships with customers, employees, regulators or suppliers; the diversion of management time and attention on the Transaction; the risk that the Transaction will not be completed within the anticipated time, on the terms currently proposed or at all; 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; potential risks and disruptions associated with the adoption, development and integration of artificial intelligence; risk of failure of information technology infrastructure and cybersecurity risks and incidents; 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 2025 MD&A.

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

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

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company’s audited consolidated financial statements for the year ended December 31, 2025, unaudited interim consolidated financial statements for the nine months ended September 30, 2026, and most recent Annual Information Form dated February 25, 2026, can be found on SEDAR+ at www.sedarplus.ca.

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

GLOSSARY

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

AESO means Alberta Electric System Operator.

AUC means the Alberta Utilities Commission.

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

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

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

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

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

GAAP means Canadian generally accepted accounting principles.

GRA means general rate application.

GTA means general tariff application.

IFRS means International Financial Reporting Standards.

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

PBR means Performance Based Regulation.

PPA means Power Purchase Agreement.

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

Senior Management Team is comprised of the Chief Executive Officer and the other members of the Executive Committee.

APPENDIX 1: SUPPLEMENTAL NON-AUDITED FINANCIAL INFORMATION

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

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

SUPPLEMENTAL INFORMATION

Adjusted EBITDA

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

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

ATCO Structures

The following table reconciles adjusted EBITDA for ATCO Structures to adjusted earnings [1] [2] for the third quarter and first nine months of 2026 and 2025. A reconciliation of adjusted earnings to earnings attributable to Class I and Class II Shares is presented in the "Reconciliation Of Adjusted Earnings To Earnings Attributable To Class I And Class II Shares" in this MD&A.

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	**2026**	**2025**	**2026**	**2025**
Adjusted Earnings [1] [2]	**34**	30	**97**	88
Add:				
Interest expense	**4**	4	**13**	12
Income tax	**12**	11	**34**	31
Depreciation and amortization	**27**	24	**77**	70
Total Adjusted EBITDA [1]	**77**	69	**221**	201

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

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

ATCO EnPower

The following tables reconcile adjusted EBITDA [1] for the ATCO EnPower business unit to adjusted earnings (loss) [1] [2] for the third quarter and first nine months of 2026 and 2025. A reconciliation of adjusted earnings to earnings attributable to Class I and Class II Shares is presented in the "Reconciliation Of Adjusted Earnings To Earnings Attributable To Class I And Class II Shares" in this MD&A.

($ millions)

	Three Months Ended September 30		
	Canadian Utilities Limited		
	Electricity Generation	Storage & Industrial Water	ATCO EnPower
2026			
2025			
Adjusted earnings [1] [2]	**—**	**8**	**8**
	2	7	9
Add:			
Interest expense	**5**	**—**	**5**
	4	—	4
Income tax expense	**2**	**3**	**5**
	1	2	3
Depreciation and amortization	**4**	**2**	**6**
	6	3	9
Total Adjusted EBITDA [1]	**11**	**13**	**24**
	13	12	25

($ millions)

	Nine Months Ended September 30		
	Canadian Utilities Limited		
	Electricity Generation	Storage & Industrial Water	ATCO EnPower
2026			
2025			
Adjusted earnings (loss) [1] [2]	**(3)**	**25**	**22**
	(1)	22	21
Add:			
Interest expense	**13**	**1**	**14**
	11	1	12
Income tax expense	**1**	**8**	**9**
	1	6	7
Depreciation and amortization	**13**	**6**	**19**
	15	8	23
Total Adjusted EBITDA [1]	**24**	**40**	**64**
	26	37	63

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

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